

SATURDAY NIGHT

THE CANADIAN WEEKLY

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TORONTO, 1941

DETERMINED TO FORCE HER OUT OF THE WAR, THE R.A.F. BLASTED ITALY UNMERCIFULLY LAST WEEK. THIS IS AN ARTIST'S CONCEPTION OF THE RAID ON NAPLES

THE HON. MR. NIXON is reported to have said at the close of last week that there was no question of any cut being made in the provincial grant to the University of Toronto on account of what the Governors might do or not do about Professor Underhill. This seemingly innocent little statement, the only remarkable thing about which is the fact that Mr. Nixon should have considered it necessary to make it (for it obviously ought to go without saying) is actually of tremendous importance to the whole future of higher education in Ontario. For it places the whole responsibility for the maintenance of academic freedom squarely on the shoulders of the President and Board of Governors of the University—where it properly belongs.

There may be cuts in the University grants; we do not feel at all inclined to guarantee that there will not. But this statement by Mr. Nixon assures the President and the Board that whatever cuts may be made will be made whether or not Professor Underhill is retained in the service of the University. Unless they propose to question the word of a responsible member of the provincial Government, they cannot say, even in private and to their intimate friends, that they were compelled to dismiss Professor Underhill by pressure from the Ontario Government. That immensely clarifies the situation.

Our Atmosphere

TWO weeks ago we made some observations in this place about the extent to which "the whole atmosphere of Canada, mental, spiritual and economic" is dominated by the atmosphere of the United States. The reader will find these observations quoted in a letter on page two from Mr. J. M. Macdonnell, than whom there is no thinker on public affairs in Canada with whom we more gladly find ourselves in agreement. We do not think we are in disagreement with him on this point, although he apparently thinks that we are.

Since we were talking in the present tense, and about the present effect in Canada of the current utterances of President Roosevelt and the atmosphere which they have created in the United States, we find it difficult to understand why Mr. Macdonnell should ascribe to us the implication that "after the war we (Canadians) are to enter voluntarily the American orbit." We are not fond of discussing prophetically the future relationship between Canada and the United States, for

the simple reason that it is a subject upon which as many people have found to their cost words fail to give any exact representation of ideas, and are consequently much too likely to be misconstrued. However since Mr. Macdonnell has put us in the position of discussing it whether we want to or no, and has provided us with a vocabulary of his own making for that purpose, we may as well say that we agree perfectly with his estimate that the destiny of Canada after the war will be "to act as an integral part of the British Empire and a connecting link between it and the United States," and that we earnestly hope that Canada will do so worthily. We may even go further. Whatever may have been the extent of Canada's influence upon the United States in 1914 and 1939 (and obviously there is a sense in which Canada gave the United States the lead in both instances), we believe that that influence will be much greater in the future than it has been in the past, partly because of an increased clarity and definiteness of purpose which we hope will develop in Canada's external policies, and partly because of the vast increase of prestige which the war is conferring upon the Empire

to which we belong, and chiefly upon the magnificent nation which stands at the head of it.

But influences working across an international border—especially one three thousand miles long and with no language difference except for a very short part of it—cannot possibly be supposed to work in one direction only. It is unquestionably true that eleven million people, if they can develop the requisite self-confidence and clarity of purpose, can greatly influence 130 million; but the 130 million would be almost incredibly weak and divided if they did not also greatly influence the eleven million. Mr. Macdonnell puts a figure of speech into our mouth when he talks about Canada being doomed to follow the United States' lead. Our own figure of speech had no such meaning; and if the one figure of speech is to be translated into the other, what we meant amounts to this, that because of the magnitude of the American influence upon Canadian thought and feeling there is a limit to the extent to which Canada can go ahead of the United States even when she is leading. It is true that Canada gave the lead to the United States by entering the last war in 1914. But it is also true that in that war Canada only

began to think about conscription the day after the United States had enacted it. Canada entered the present war immediately upon its outbreak; but does Mr. Macdonnell suggest that Canada went "all out" in it much before the main body of American opinion had ceased to feel neutral about it?

Book Fair

TIME marches on; now and again it breaks into a brisk trot. The day has passed when the pen was mightier than the sword; the typewriter and the Bren gun now exist in stately parity. At the Lord Tweedsmuir Memorial Book Fair only one manuscript (that of Professor Pratt's "Brébeuf") was exhibited among half-a-dozen typescripts, and the crowning glory of the Fair was Louis Hémon's typewriter. The effect of this trend in literary composition should be interesting. In the past high prices were paid for a copperplate MS of Poe or a postcard written by Bernard Shaw, but in the brave new world Sotheby's will deal largely in typescript. Those typed by the author himself will, of course, fetch higher prices than the more competent work of his wife. Bibliophiles will discourse learnedly of ribbons, and a writer's work may come to be divided into his Early (portable Corona), his Middle (portable Underwood) and his Later (desk-model silent Remington) Periods. Literary forgery will acquire a new technique. And whereas in an earlier day it was the inky nail which marked the weaver of romances and the singer of wild, sweet songs, in the future he will be known by his stumpy, blood-suffused index-fingers. Eheu!

Short Way With Dissenters

THE Manitoba Legislature has adopted a measure for the removal of certain members of its own Legislative Assembly, of the municipal corporations of the province, and the school district trustee boards of the same, which appears to us to contain rather serious dangers. It declares that a seat in any of these representative bodies is automatically vacated if its occupant is convicted of an offence under the Defence of Canada Regulations or is detained or ordered detained or interned under the same Regulations.

In many cases, probably the majority of cases, this procedure would probably have no results which would be detrimental to the public. (Continued on Page Three)

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DEAR MR. EDITOR

Canada Not In the U.S. Orbit

Editor SATURDAY NIGHT:

IN THE Front Page of your January 4 issue you say, with reference to President Roosevelt's speech: "The speech was of the profoundest importance in a score of different ways, but we have space here to discuss only its special importance to Canada. That importance lies in the fact that the whole atmosphere of Canada—mental, spiritual and economic—is heavily dominated and largely determined by that of the United States. For that reason it has always been difficult, and always will be difficult, for Canada to go 'all out' in a war about which the United States continues to feel neutral."

Your words seem to suggest that we are really doomed to follow the United States' lead. I hope and believe our destiny is quite different. I think it is a simple fact that it was we who gave the lead in 1914 and again in 1939. Nor is the explanation far to seek. It is because membership in the British Empire has given us a sense of responsibility and, however dimly, an instinct which leads us to act without delay when danger comes, whereas experience indicates that the Americans are likely to be many months or even years late.

If the implication of your words is that after the war we are to enter voluntarily the American orbit, I profoundly disagree.

I should take a very dark view of Canada's future if I thought it was going to be "dominated and largely determined" by the atmosphere of the United States. In saying this I do not forget that we are, as Mr. R. B. Bennett reminded us, "inescapably North American," nor do I underestimate in the least the importance of the Ogdensburg agreement and all that we hope may flow from it. Nevertheless so far from believing that we are really doomed to follow the United States' lead, my view is that our destiny after this war will be even more clearly to do what we have done in the past, namely, to act as an integral part of the British Empire and a connecting link between it and the United States. Surely the experience of two wars ought to be enough to show us where we belong.

J. M. MACDONNELL,

Toronto, Ont.

This Is Our Winnie

Editor SATURDAY NIGHT:

CAN the gentleman in your picture, "Winston Churchill Relaxes" (December 28), possibly be our Winston? There is an American Winston Churchill; might this be he? The picture does not look like the British Prime Minister.

ALF. P. VAN SOMMEREN,

Brantford, Ont.

(It was our Winnie all right, only you are not accustomed to seeing him "relaxed." We print on this page another picture taken at the same time and in the same surroundings, in which the face is more clearly visible, and there is internal evidence, in the station signs, that the picture was taken "somewhere in England." Editor.)

Early Reader

Editor SATURDAY NIGHT:

THE date of the style shown in the photograph on page 2, issue of December 28, is 1895. It is one of my early recollections. I never liked the style in spite of its many pleasant associations.

E. STERLING DEAN,

Toronto, Ont.

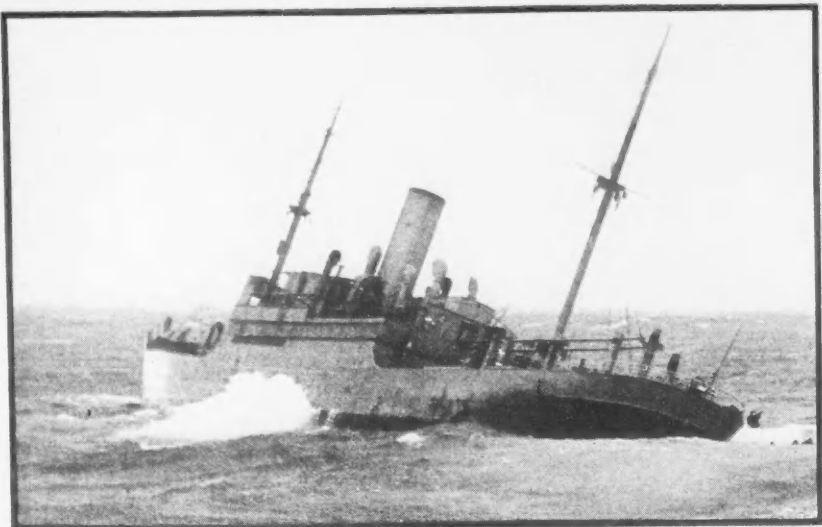
No Reason for Drought

Editor SATURDAY NIGHT:

THERE is no reason why there should still be drought in Western Canada, or anywhere else for that matter. In newspapers throughout the south-west appeared my promise last spring that I would produce in the south-west the heaviest rainfall in Saskatchewan for 1940, and would create at Shaunavon, south-west from Regina, the heaviest rainfall of any experienced in Saskatchewan. And Shaunavon, which from 1930 to 1937, was within the dust bowl of Western Canada, and did not grow a blade of green in 1937, received this year, within four months, a greater rainfall than had been experienced in this district in any entire year for the past twenty-five years.

This winter an attempt will be made to bring to South-West Saskatchewan—west of Regina, in the Swift Current and Maple Creek districts the heaviest snowfall ever experienced on the Western Canadian prairies. This will be produced by directing the gravitational-magnetic force (created by an instrument of my invention) to penetrate the clouds over those districts, causing precipitation. Heavy snows will fall elsewhere in Southern Saskatchewan as the result of my efforts, but west of Regina will be the record. Heavy rains will follow with the approach of spring. The instrument was set in operation on October 1, but it takes a few months to establish a snowfall record. It is located at Regina, and its force is easier to manage and control in the west and south-west directions than eastward. The instrument will work satisfactorily wherever it may be located.

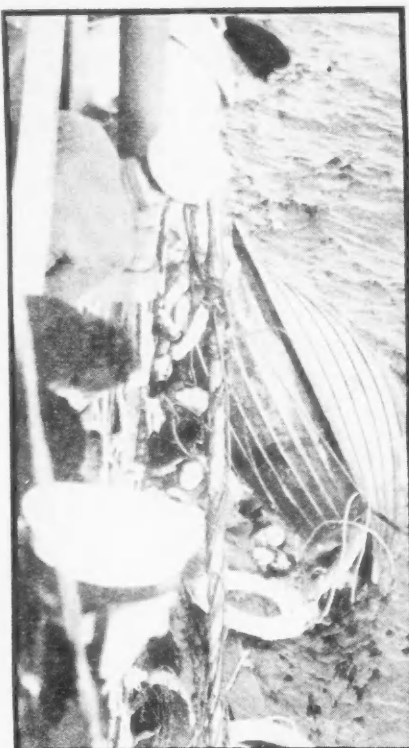
Regina, Sask. DONALD JOHNSTON.



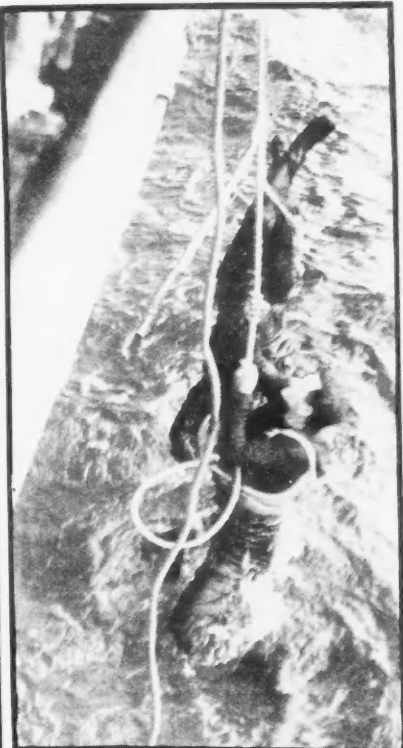
THE NAZI MERCHANTMAN "ARUCAS" LISTS BADLY AS WATER POURS IN OPENED SEACOCKS. PART OF CREW STRUGGLES IN THE WATER AT THE STERN.



ONE OF THE "ARUCAS'S" LIFEBOATS OVERTURNED IN THE ROUGH SEA. HERE THE BRITISH WARSHIP, UNABLE TO LAUNCH A BOAT, COMES ALONGSIDE IT.



THE OVERTURNED LIFEBOAT POUNDS HARD AGAINST THE SIDE (ABOVE.) A BRITISH SAILOR GOES OVERBOARD TO THE RESCUE (ABOVE RIGHT).



SEA SAGA

IN mid-afternoon of an early winter day as the impatient Arctic night was already settling over the north Atlantic, the German merchantman "Arucas" of 3,369 tons scuttled herself on the approach of a British warship.

Some of the "Arucas's" crew took to lifeboats, others merely jumped overboard. In the heavy running sea, which was paralyzingly cold, one of the boats overturned.

The warship, unable to launch a boat in the angry water, manoeuvred as best she could alongside the dunked Germans and threw them life-lines. But the cold water had already taken its toll of some of them. They hadn't the strength left to hold on.

Of a crew of 53 aboard the "Arucas", 40 were saved. Three others died after being taken from the water; 10 drowned.



SEVERAL OF THE GERMANS WHO HAD BEEN DUNKED IN THE COLD ATLANTIC WERE SWUNG ABOARD THE WARSHIP HALF-REFRIGERATED AND HALF DROWNED. HERE ONE OF THEM RECEIVES ARTIFICIAL RESPIRATION.



THE RESCUED SEAMEN DECKED OUT IN BORROWED CLOTHES PROMENADE AROUND THE WARSHIP'S DECK NEXT MORNING.

SATURDAY NIGHT

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THE FRONT PAGE

(Continued from Page One)

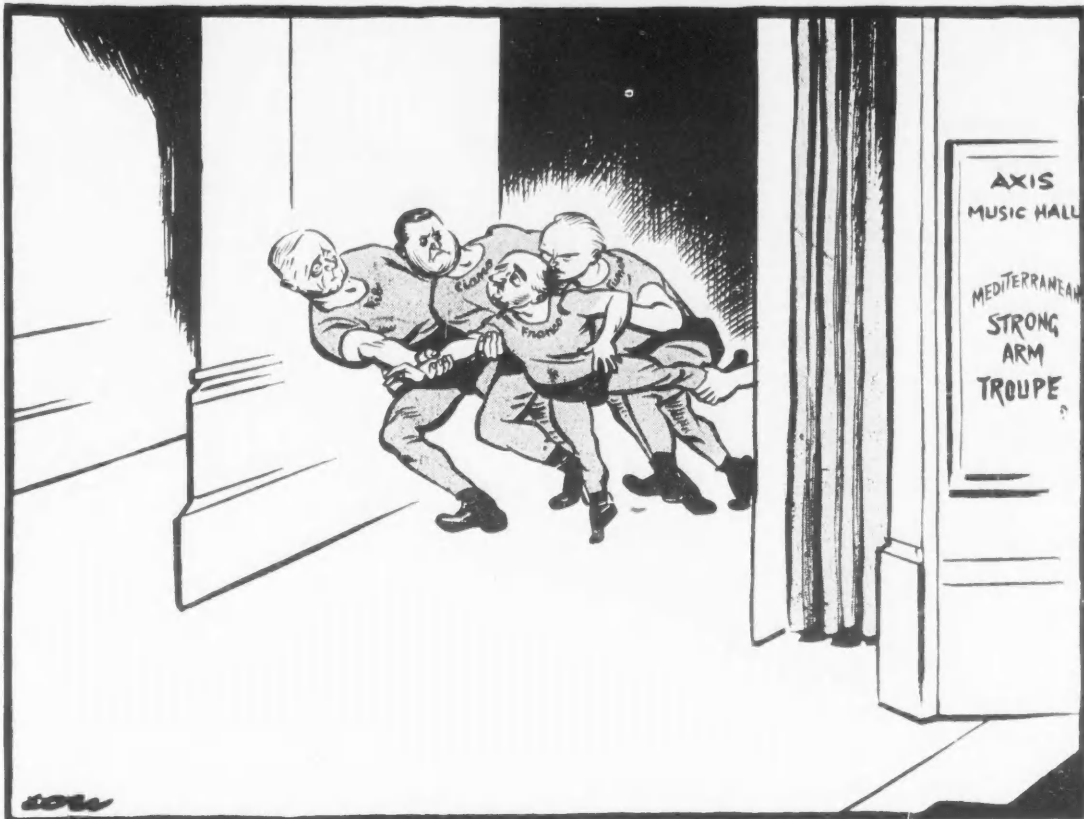
the interest. The section relating to persons convicted of an offence is less objectionable than that relating to persons ordered detained; for there is in the former case at least the formality of a trial and conviction. We think, however, that the legislators of Manitoba, and the press of that province which has accepted the legislation with singular calmness, failed to take note of the fact that it is possible to be convicted under the Defence of Canada Regulations upon purely technical grounds (the possession of an objectionable publication, for example) and without the slightest proof of active disaffection. But an order of internment is no more proof of disaffection than, let us say, dismissal from the staff of a university or the pastorate of a wealthy church. It is a purely precautionary measure on the part of the state authority, and may be taken upon the mere belief that the interned person is likely to do something against the security of the state, a belief which may have no foundation in fact. Scores of persons detained—some of them no doubt quite reasonably detained—under this procedure have been released after further investigation. Their release would do them no good so far as their right to a seat in the Manitoba Legislature or on a Manitoba school board is concerned. They are out, and out for good, and their seat "shall *ipso facto* be vacated without any declaration, action or proceedings therefor." (Incidentally, we should like to know upon what evidence the vacating authority acts in these cases; it is not always the easiest thing in the world to ascertain whether Mr. X is actually "detained" or is just being held for investigation.)

What we most dislike about all this is the temptation which it throws in the way of the members of a Government to remove the leading members of opposing parties. All that is necessary is for the provincial Attorney-General to convince the Minister of Justice that Mr. X is a dangerous character, and his seat is immediately vacated, or if he is a candidate his qualifications are immediately destroyed. With the present Minister of Justice that might be difficult, but he will shortly go to the Senate and a future Minister might be more pliable. But even if the Minister fails to lend himself to the scheme, all that the Attorney-General has to do is to get a little technical evidence and present it before a minor magistrate with an inclination to severity, and the thing is done; the possibilities of appeal in minor cases are very limited.

Honorable Calendars

THIS is the time of year at which we confer the inestimable reward of Honorable Mention upon those calendars, issued in the way of business promotion, which have reached us during the holiday season. We regret that for political reasons we cannot give honorable mention to honorable calendar of honorable Japanese State Railways, which we nevertheless have to admit is extremely beautiful; it will doubtless take a generation or two of the New Order before the artistic instincts of a nation of accomplished craftsmen are entirely destroyed, and if the New Order does not get itself established the destruction may be averted. Also *hors concours* but for entirely different reasons (chiefly because its issuer has received so many Hon. Mens.) is the Travellers, of Hartford, with its new set of twelve reproductions of Currier & Ives prints, in the same style as last year.

The biggest Hon. Men. goes without hesitation this year to Ralph Clark Stone, even after making all due discount for the fact that they are lithographers and therefore have an advantage when it comes to making their own calendar. Choice of subject, choice of artist, reproduction, all get 100 per cent. It is a color reproduction, evidently quite a bit enlarged and therefore clearly visible across a good-sized office, of a Hornyansky color etching of the Town Clock of Halifax, N.S., with warships in the harbor, on a snowy day—very vivid and atmospheric. Next comes the Confederation Life, with a painting which we must admit is not very atmospheric, but is full of interesting historical detail—of the good ship *Ann and Jane* inaugurating the first Welland Canal in 1929; just the kind of thing that a Canadian business institution ought to be putting in the hands of its friends. And



TROUBLE IN THE WINGS

third comes the Royal Bank, with six sheets of excellent A. Sherriff Scott paintings, (much wider in subject and freer in treatment than last year) of old methods of transport in Canada, including the York Boat, which every Canadian has read about but few can visualize, and the *travois*.

A Very Kind Word goes to the Santa Fe for a lovely color picture of sheep apparently pasturing on cactus in a desert, which is rather too delicate for the very railway-office-style calendar below it; to Katharine Cornell's press

TO FRANCE

THOU shalt arise once more in all thy glory;
Paris, Versailles, the azure Cote d'Or;
Blois and Amboise, and chateaux rich in story;
Meaux and Evreux shall smile again once more.
Busy with husbandry the plains of Picardy;
Pregnant with wine the vineyards of Champagne;
Reedlike the masts of fisher fleets of Brittany;
Winter shall pass, Spring shall return again.
RAYMOND CARD.

agent for a reproduction of the well known Speicher painting of that actress in the Museum of Modern Art; to the Canada Permanent for its F. S. Coburn, "The Red Carriole" (much the best thing this excellent calendar has ever had); and to the Aetna Life for a unique Sportsman's Calendar with action photographs of the seasonal sport activity for each month. A Kind Word to the Bank of Nova Scotia, which also has a Sherriff Scott painting, a scene in the prairie wheat country in a good crop year; the Waterloo Trust, with twelve scenes of Waterloo County landscape by various county photographers, all of excellent quality; the Canada Wire & Cable (very businesslike), and the Great-West Life (very sentimental). A Kind Word Plus to the British Drug Houses Ltd., with a color drawing of Windsor Castle.

Saving, and By Whom?

THE address of the president of the Royal Bank at the recent annual meeting of that institution was characterized by a degree of frankness somewhat unusual in financial statements. Mr. Wilson's views on the subject of the need for some vigorous action for the promotion of saving by the Canadian people are practically identical with those which this journal has been putting forth for some weeks. His point is that the substantial borrowing which will be needed by the Government for its war program "must be supplied from savings if inflation is to be avoided." He points out that there comes a stage in the

steady increase of war activity, when it is only by curtailment in production of consumers' goods that the production of war materials can be increased. "But surprising as it may appear, those in the lower income brackets are responsible for a great deal more than half the total purchases of consumers' goods." In Canada he suggests that two-thirds of the demand for consumers' goods comes from people with an annual income of \$2000 or less. With full employment and good wages, the purchasing power of this class will be greatly increased, unless either (1) a considerable part of the increased income is saved, or (2) there is an increase in the price of consumers' goods, which in turn will put up wages, and thus start the spiral of inflation. This is entirely true, and every device that can be employed to induce individuals with small incomes to save whatever they can of these incomes with a view first to assisting the Government's war production program and second to placing themselves in a secure position for the difficult times which will follow the close of the war should certainly be employed.

At the same time we hope, and we feel sure that Mr. Wilson hopes, that these savings can be effected without the sacrifice of anything that is really needed for the health and the mental, moral and spiritual growth of the people who make them, and of their families. We should like to see the total savings of the nation at the highest possible point, but we do not wish to see them include food, clothing and shelter which are necessary to a civilized and healthy life for a Canadian citizen. Unfortunately much too large a proportion of the Canadian population, all of it in the below-\$2000 class referred to by Mr. Wilson, has never had quite enough to eat, or quite enough to wear, or quite enough heat, or quite enough living space for decency. To expect these people to save, on the first occasion when they have had enough for health and decency for many years, while other classes of the community are still spending both money, and time which ought to be worth money, on pure frivolities, is unreasonable. The truth is that very little of the cost of a great war can really be extracted from, or even borrowed from, people who are bringing up families on less than \$1000 a year, and they constitute a large part of the less-than-\$2000 class.

The more-than-\$2000 class is responsible for the remaining third of the consumption demand. It should be much easier and healthier to cut the latter class's consumption in half, thereby saving one-sixth of the total, than to cut the consumption of the other class by 25 per cent in order to save another sixth. If any compulsions are to be applied, we trust that they will be applied with this principle in mind.

"Never in the history of human conflict was so much owed by so many to so few."—Winston Churchill, of Britain's air defenders.

You too can help by buying War Savings Certificates regularly.

THE PASSING SHOW

THERE was considerable talk of an undergraduate strike at Varsity last week. The last one, in 1895, was over Dale; this time it was Underhill.

The Sirois Report turns out to have been one of these delayed-action bombs.

The Greeks are reported to have made very efficient use of fifth columnists in Albania. They learned a thing or two about horses from the Trojans.

We don't think Ontario should be so cocky about its financial position. Undoubtedly it is splendid, but we have Mr. Hepburn's word for it, on several occasions, that it wouldn't be nearly so splendid if the province hadn't isolated itself out of the contractual obligations of its creature, the Ontario Hydro.

Quotation from *Vogue*: "In trying on a hat, sit squarely before the mirror, then close your eyes as the *vendeuse* fits the hat on your head." So that's how they get them!

An esoteric society in the States promises to send free to all applicants a booklet engagingly called "Your Spark of Genius... How To Kindle It." After which somebody will try to water it.

The popular color this year, we learn, is to be Brazilian beige. A neutral tone.

THEOLOGICAL REFLECTION

To the ordinary mind
The New Nazi Paganism
Has remarkable affinities
With old-fashioned Dagonism.

It is reported that the success of the R.A.F. in Africa will mean that Marshal Graziani must fight in future without what our phrase-making correspondents call his "air eyes." Does this mean that the story which began as "Brave New World" will end as "Eyeless In Gaza"?

Vichy is reported to be restoring the art treasures Napoleon took from Spain. There seems to be a rift in every loot.

DIPLOMATIC DITTY

Signor "Wrong-Way" Mussolini
Thinks that Adolf is a meanie;
Whereas Adolf begins to feel
That Muss is an Achilles heel.

Germany is sending more troops into Norway. Ex-Corporal Hitler is apparently beginning to suspect that the Norwegians' love for Quisling is merely platonic.

A London motorist has been arrested for demanding tips from passengers picked up on the street. It's about time the law made an example of one of these baksheesh drivers.

Goebbels assured foreign correspondents the other day that Germany knows what to do next. It's just that they don't know how to do it, that's all.

Premier Hepburn said last week that the deliberations on the Sirois Report should be held "right out in the front yard." Presumably so he can keep his ear to the ground.

The Fascist editor Roberto Farinacci states that the "decisive word" has yet to be said on the Mediterranean warfront. But when it is said it will probably be the Italian word for "Enough!"

The British commanders in Libya report that their Australian troops were so eager to get at the Italians that they could hardly be held back. They must be men of violent antipodes.

The German government jails its citizens for listening to American broadcasts. They seem to think the advertising is not punishment enough.

NATIONAL DEFENCE POEM

The purchase of War Savings Stamps
The Nazi ardor greatly damps.
The man whom Hitler really hates
Is he who buys Certificates.

What Canada Means To Young Canadians

THE short paragraphs given below are all taken from the answers of three composition classes in the final year of the Saint John, N.B., High School to the questions: "What does New Brunswick mean to you? What does Canada mean to you? and, What does the British Empire

mean to you?" Two of the classes are boys, the third girls. No warning of the questions was given, and ten to fifteen minutes was given for the reply to each question. The questions were set by Miss Jessie I. Lawson, president of the New Brunswick Branch of the Canadian Women's

Press Club. It seemed to Miss Lawson, and we agree with her, that these writings are deserving of wide publicity, as evidence that the young people of today are thinking and feeling finely about their country and its sister nations and their function in the world.

What Does New Brunswick Mean to You?

(1) When I stop to think of what New Brunswick means to me, I hesitate. I cannot answer immediately, because I have never given the subject much thought. What does New Brunswick mean to me? This, my province, with its forests, lakes, and winding highways, its fisheries, its cities small and large, its lumber

this so-called modern civilization—the beautiful simplicity of the small one-street towns—or of a farmer ploughing a field.

(6) Its schools have taught me—its countryside has inspired me—its playgrounds and athletic fields have given me the chance, and I took it, to become a real sportsman in the games familiar to New Brunswick. For all these advantages and privileges I am truly grateful.

(7) My home, my country, my province, the land of my fathers, with freedom and liberty. I can do what I please when I please and where I please, within the rights of the law. A land of good laws and good government. A land where a man can be a man—if he chooses.

(8) It is a province rich in history, where the Loyalists landed, and where our ancestors did so many great deeds and inspires us to be as courageous and useful as they.

(9) I see New Brunswick with its seaports, its quaint villages and towns, its majestic rivers and little streams, its placid lakes, its stately hills, its beautiful scenic woods and forests, its cheery, friendly people, lying quiet and peaceful in its own little corner of that great confederation, the Dominion of Canada.

What Does Canada Mean to You?

(1) When I think of Canada I think of a vast country, stretching between two oceans, with its wide, open prairies, dense forests, tranquil lakes, mighty rivers, rolling hills, and snow-capped mountains—founded by our forefathers through work, sweat and blood. Wrought through hardships for me—to become my home. This is my Canada and yours.

(2) When I think of Canada I think of a family—a very normal family, in which family squabbles sometimes occur but are patched up in a short time—where adopted members are treated with the same respect as others. Yes, Canada is a family, children of Britain, and I am proud to be a member.

(3) Canada is mine—mine to explore, to sail on its mighty rivers, hunt in its huge forests, and fish in its rippling brooks. I am contented in Canada. It is my homeland—my soil to till, my forests to cut timber in—and just as a man guards his property so would I fight for its freedom.

(4) Canada is that great Dominion stretching from sea to sea which is paying for my protection. Canada means liberty, peace and happiness to me, and I pray that in some small manner I may be able to keep it the beautiful land it has always been.

(5) Canada, the Land of the Maple, is "my own and native land," and there is none so great and beautiful. My country is strong, free, and young,

a rising country of great world importance.

(6) What does Canada mean to me? Canada is my country—a Dominion of the British Empire—a land for which brave Britishers fought, and settled here to become true Canadians—a land of prairies, woods, lakes, and mountains; snow, rain, sleet, fog, and sunshine—a land of sturdy country folk, big business men, and men of genius—a land of freedom and liberty—a confederation of nine sturdy provinces.

(7) I'm proud to be a Canadian. We have something to live for, something to fight for in this troubled time—yes, something to stand on guard for—Our Canada, a land of beauty, happiness, and freedom—a home for the helpless—a shelter—a true friend—and a loyal part of the great British Empire.

What Does the Empire Mean to You?

(1) The Empire, the British Empire, is more than just a name. It is a chain of free peoples, linked together by a common loyalty to the crown. They believe in the rights of the common people, and in free speech, free press, and the thousand other things that the people in democratic countries enjoy.

(2) It is the chain which links together a large group of people who keep the torch of civilization burning.

(3) The British Empire means to me all that one word means to me, and that word is Freedom. The British Empire has fought, and is still fighting for that word—that word which means to worship as you like, to love as you like, and to do as you like. The Empire also reminds me of another word—morale, morale which shall never break under the hand of tyranny.

(4) As the name British Empire is said you can see the English bulldog, the spirit of the British people, standing over and protecting the Flag.

(5) Each part of the British Empire whether it be great or small is sending aid and supplies to England in the hour of her greatest need, as the tributaries of a great river send their volumes of water into the main waters.

(6) As a Canadian girl I am only one of the insignificant members of the British Empire. But when I hear *God Save The King*, or *Rule Britannia*, I am as proud as all the other members of this vast domain. When I read in the papers, or hear over the air, about the heroism displayed by our Navy and Air Force I think I am one of the happiest people in the world—to know that I belong to such a great and glorious Empire.

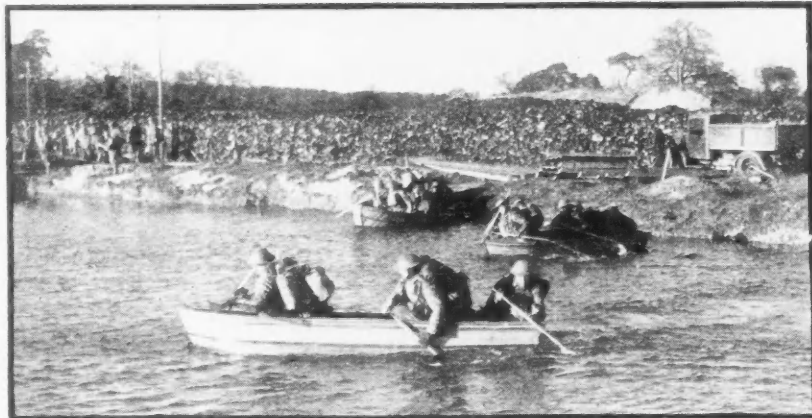
(7) The British Empire is a fast-flung nation of many creeds and beliefs and tongues, but to me all of it is precious. It is to me a symbol of all I hold dear.



Gas-masked Canadian Engineers at bridge-building manoeuvres . . .



. . . built this pontoon bridge which is ferrying a Bren gun carrier



Collapsible rubber boats are part of Engineers' equipment . . .

CANADA'S TROOPS

IN WORLD WAR I, Canada enlisted 595,441 men; of these, about 52,000 were killed in action and 10,000 died from other causes.

In World War II, Canada has mobilized three divisions for active service and has sent three contingents to England, all without mishap. Canadian troops are in Newfoundland, Iceland, and the West Indies. Canadian troops were sent to the Continent during the Battle of France but arrived when that gigantic struggle was already lost and were hastily evacuated.

Canada's land forces are inclined to be overshadowed by the more colorful Air Force, particularly since Canada is the centre of the Empire Air Training Scheme. In actual fighting, these troops are as fine as any in the world. Their fathers proved that at Ypres, St. Eloi, Sanctuary Wood, the Somme, Vimy Ridge, Passchendaele, Arras and Mons.

These pictures out of England show Canadian Engineers at manoeuvres. Extensive training at home and overseas has made them gems of the Empire forces.

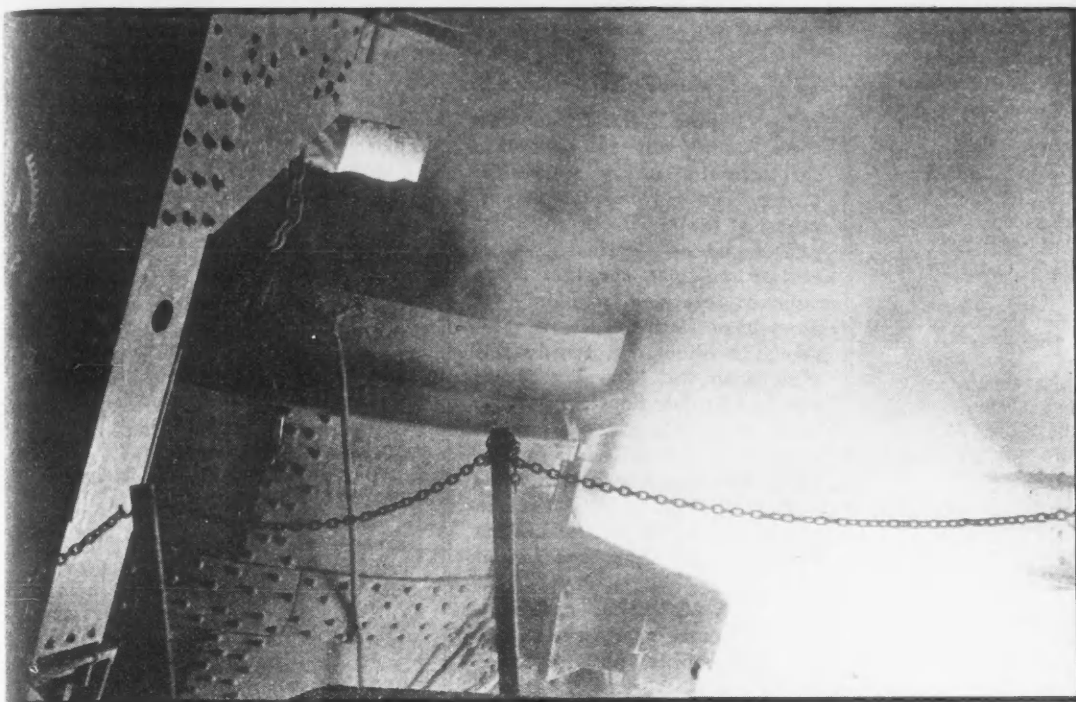


. . . and should not be confused with these rubber dinghies which are also indispensable

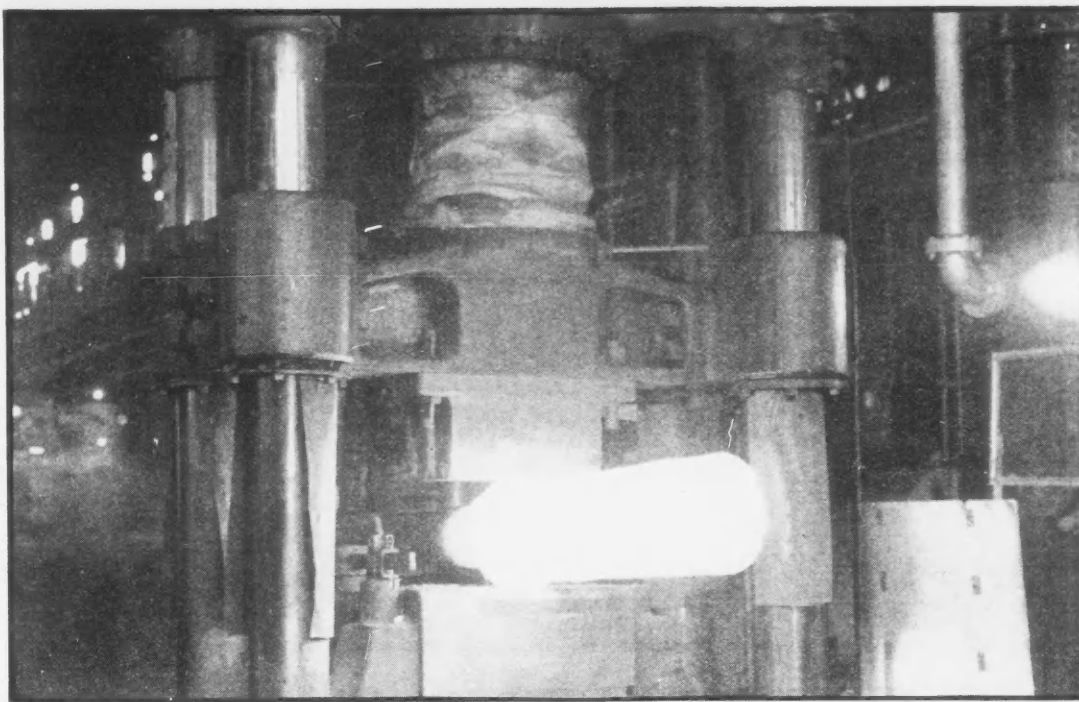


Brig-Gen. Odlum gets a camera view of his troops

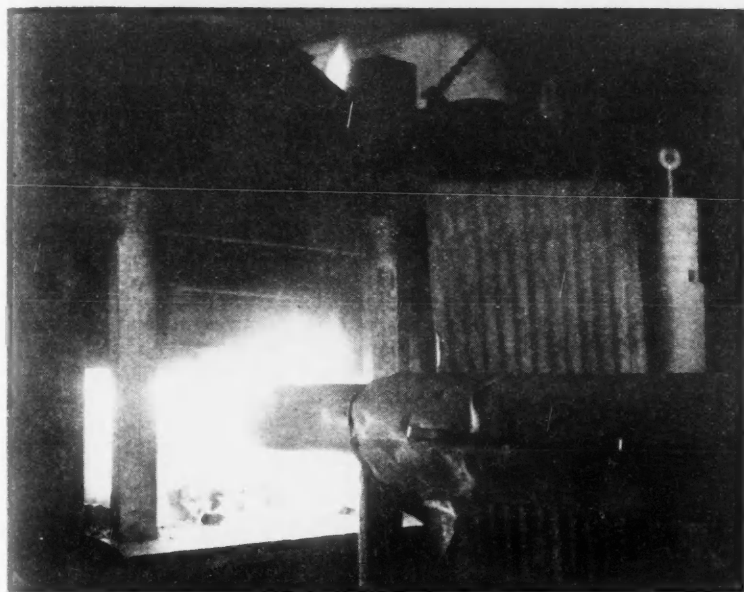
Guns Are Forged In An Eastern Canadian Plant



A 30-ton electric furnace pours gun steel into a ladle



Partially-forged ingot is pressed in a 1000-ton press



Ingot is re-heated. Insulated jacket protects outer end

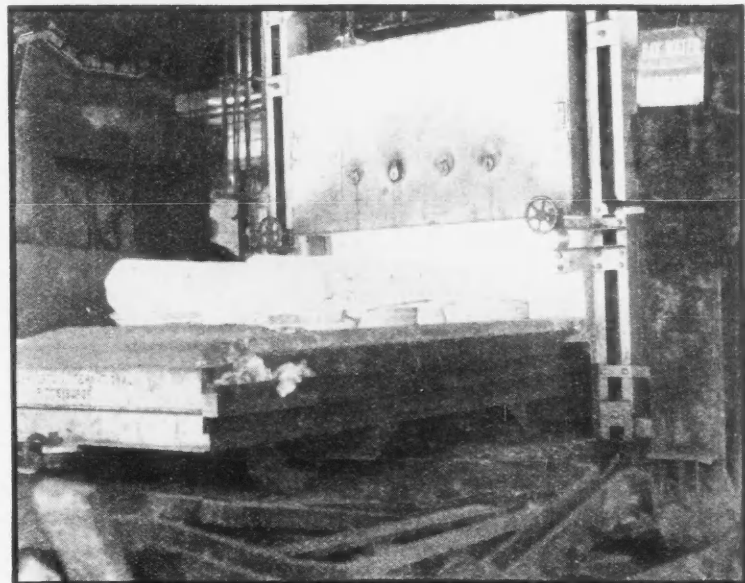
WHEN war flared out in September, 1939, it was generally believed that its cost to Canada would not be very great. Indeed, up until March 31, 1940, expenditures amounted to only \$118,000,000. In February, 1940, the estimate of total war expenditures for the fiscal year April 1, 1940, to March 31, 1941, was placed at \$600,000,000.

Then Germany's armed forces swept through the Lowlands and the proud Republic of France collapsed like a rotting tree and her armies were scattered like dead leaves in a high wind. With the fall of France, the leisurely war effort of the Dominions of the British Empire convulsed into aggressive action.

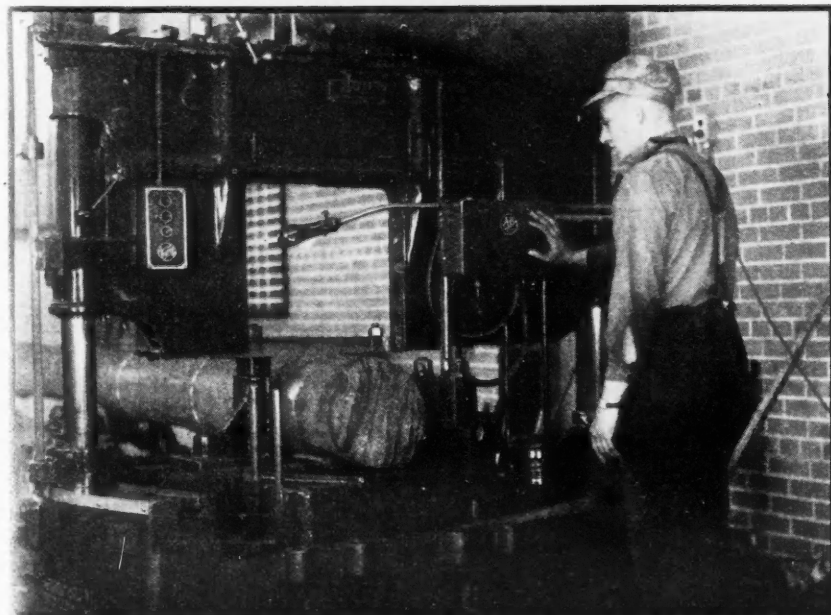
Canada's Parliament passed estimates in August, 1940, which placed total war expenditures for the fiscal year 1940-1941 at \$940,000,000. The most reliable breakdown of the total estimate received by SATURDAY NIGHT allots \$55,000,000 to munitions and supply.

The pictures on this page were taken by our staff photographer, "Jay", on a recent visit to an eastern Canadian arms plant. Because of censorship tabus, we can give no pertinent information on the guns, not even their calibre. They are symbols of Canada's war effort on the industrial front.

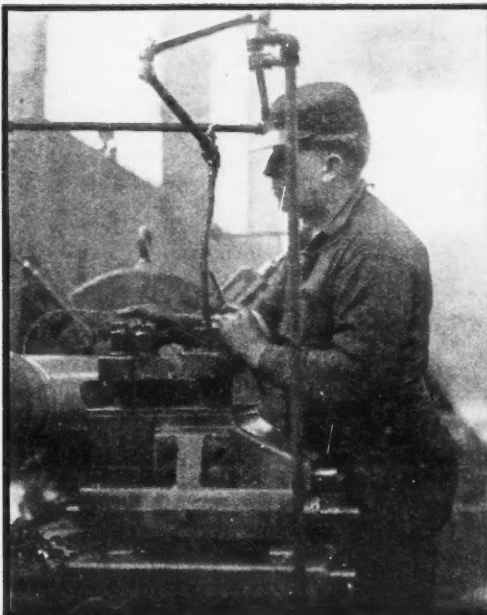
But even though industrial activity in Canada is reaching unprecedented heights, in the words of the man on the street, "we don't know we're in a war yet". Not until 1941 fades will we be extended.



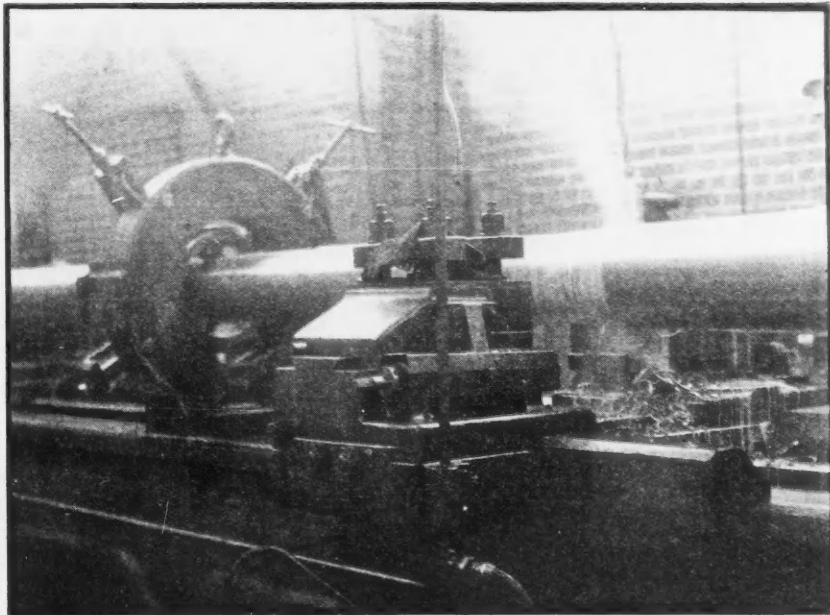
Finished forgings emerge refined from annealing furnace



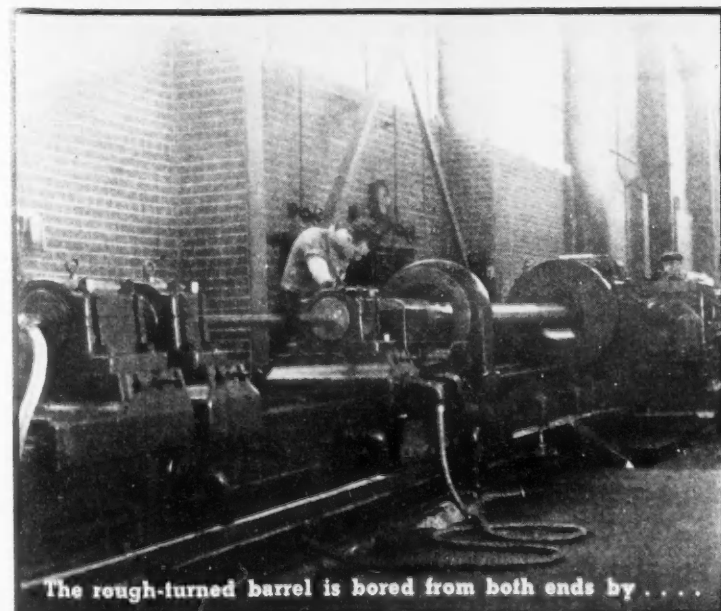
Ends of the guns which are in rough forged state, are sawed off



The forging begins to assume the ...



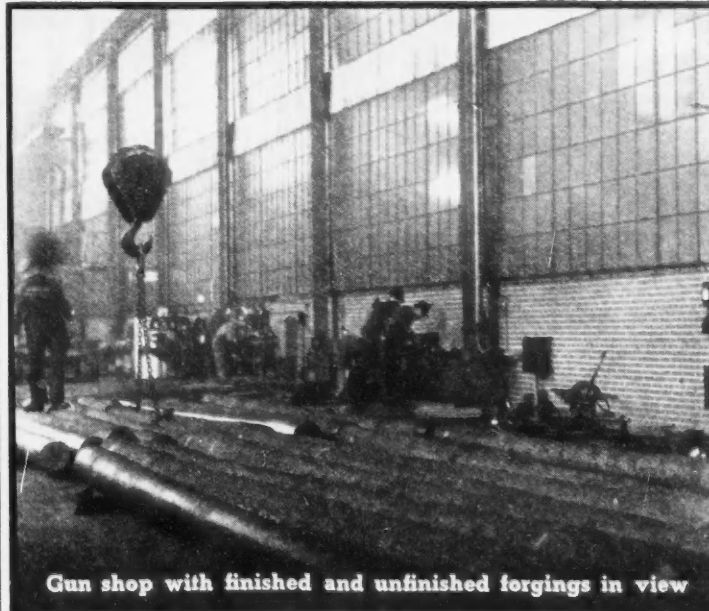
... contours of finished piece. The lathe removes forged surface



The rough-turned barrel is bored from both ends by ...



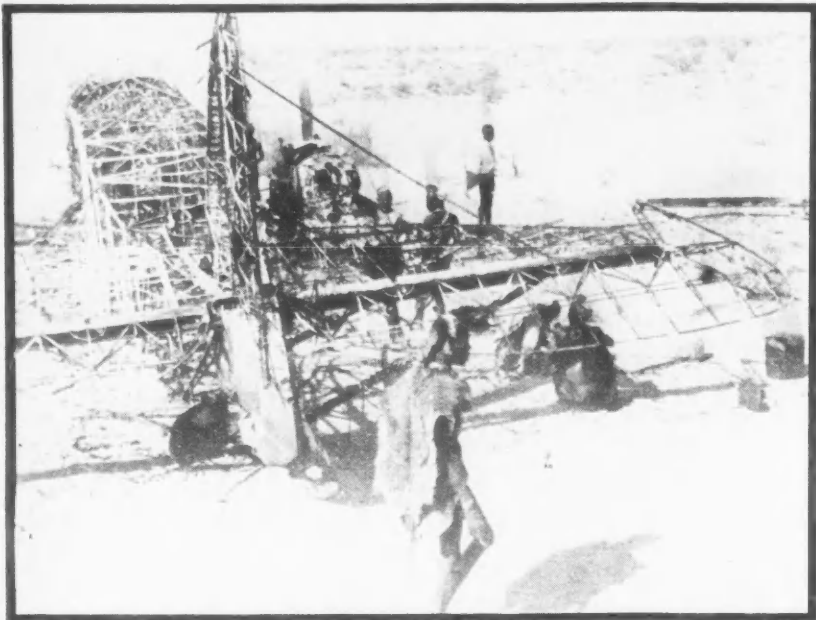
... a cutter, here being withdrawn from finished piece



Gun shop with finished and unfinished forgings in view

Malta: A British Base of Growing Significance

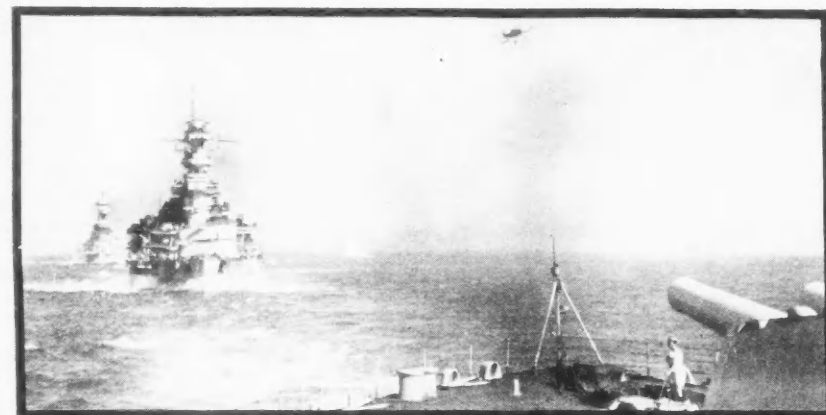
BY LANCE COLAM



An Italian plane shot down over Malta. During Italy's first day in the War, Malta was bombed 8 times, during the first week 30 times. . .



... and since then it has been strafed continually. Here is the result of one raid on the island. Malta was taken from Napoleon in 1814.



The British Fleet bombards Bardia, just prior to the fall of that town. Malta has two bases for submarines and mine layers, three airdromes.



An Italian aviator shot down over Malta receives first aid. Anti-aircraft defences on the island have accounted for 35 Italian bombers.

NELSON once described Malta as "a most important outwork to India". Today this is hardly the case, for the two small islands, Malta and Gozo, suffer certain disadvantages in modern warfare, mainly because of the development of the Air Arm. What Malta does offer us is that it remains a thorn in Mussolini's side—a thorn which so far he has been unable to extract, much as he would like to. It also offers to the world yet another stirring example of how one small colony of the Empire can "take it".

Malta, along with its two smaller companions, Gozo and Comino, lies only 80 miles south of Sicily so that it is within twenty minutes' reach of bombers from aerodromes there. The total area of the three islands is only 122 square miles; the population around a quarter of a million.

The definite history of Malta begins at about 1450 B.C. The Phoenicians were then at the height of their power and prosperity and their ships scoured the Mediterranean in every direction. Malta naturally became Phoenician and when Phoenicia fell and Carthage rose, Malta passed to the daughter state.

Roman Prosperity

During the Second Punic War, Rome obtained possession of the island and gave it a period of great prosperity as evinced by the existence of magnificent Roman temples, of theatres, villas and baths.

After the downfall of the Roman Empire the Island underwent the varying fortunes of the South of Europe, until the end of the ninth century when it was captured by the Arabs. Then, in 1090—twenty-four years after the conquest of England by William I—Roger the Norman set sail from Sicily and annexed Malta to his domains.

For the next 400 years Malta remained an appendage of Sicily. Then came the 16th century when the Mediterranean was the scene of the struggles between the Crescent and the Cross. The chief defenders of the Cross were the Knights of St. John who, from their home in Rhodes, were a thorn in the Sultan's side. In 1522 the Sultan was able after repeated attacks to drive the Knights out of Rhodes, who after various wanderings, found a sanctuary in Malta through the intervention of the Pope. As soon as the Knights set foot on the island, however, the wrath of the Sultan was turned against them once more and he set about the formation of a vast armada to attack them.

The siege of Malta in 1565 by the overwhelming hordes of the Turks under their pirate chiefs, and its heroic defence by the inhabitants officered by the Knights of the Order, is one of the brightest pages in the records of Christendom. So signal was the victory of the Cross over the Crescent and so much importance was attached to it throughout Europe that even Queen Elizabeth ordered special prayers of intercession for the besieged and, later, thanksgiving prayers for the victory of Malta.

Greatest Stronghold

The year following the siege witnessed the laying of the foundation stone of that city Valetta built to be an impregnable bulwark against the Turk which Sir Walter Scott compared to a dream. Disraeli styled a City of Palaces, and Napoleon and Nelson both called "the greatest stronghold in Europe".

For two centuries and a half it was the home of chivalry. The eyes of the sovereigns of Europe were rivetted on it, not only because their scions belonged to the Order; but also because it was the centre of a pageant without parallel in any other part of the world. Every stone in Valetta has its enthralling history and its archives testify to the relations of His Serene Highness the Grand Master in little Malta with the Emperors and Kings of the great States of Europe.

As General Wavell's victorious army pushes westward through the sandy wastes of Libya, the strategical importance of Malta waxes mightily.

This island fortress, which earlier had been considered too exposed to attack from Italy for any important use, now promises to become a handy service base for Wavell's forces and the British fleet supporting them, as well as being a base of operations against Marshal Graziani's communication lines with Italy and a vital link in Britain's Mediterranean lifeline between Gibraltar and Alexandria.

Though Malta has played a part in almost every war in history, few people know anything about it. This article outlines the island's colorful story.

On the way to Egypt in 1798 Napoleon captured the island and drove out the Order. Leaving a garrison of 4,000 men, he hurried East, but his high-handed actions had already opened the eyes of the Maltese to the real meaning of the liberty he had promised them.

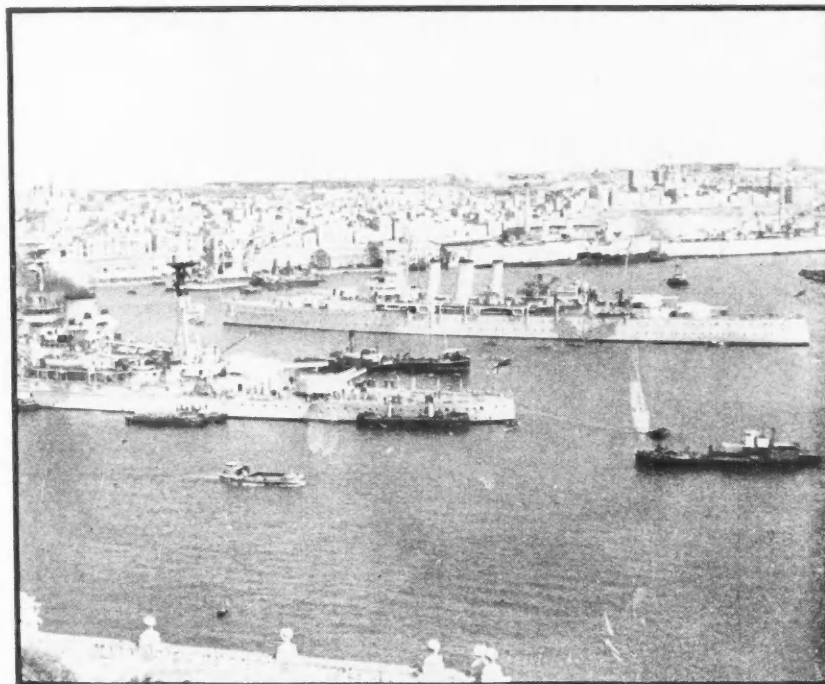
His methods were followed by General Vaubois, the Commander-in-Chief he left behind, and, when Nelson was returning victoriously after the Battle of the Nile, the Maltese had already risen against their French oppressors. They asked the British Admiral for help. He could

not refuse it to the brave men who without arms and without the resources of war had broken asunder their chains and were making themselves conspicuous in the eyes of Europe.

England who, since the time of Queen Anne, had looked upon Malta as the ideal headquarters for her Mediterranean Squadrons, thus threw in her lot definitely with the Maltese and when the French were eventually forced to surrender, the island was placed under the protection of the British Crown. For Malta, England defied Napoleon who would rather have seen his enemies in possession of the heights of Montmartre than of Malta. After sacrificing every consideration of peace, the islanders did not hesitate to take up Napoleon's challenge "Malta or War". In 1814 the Treaty of Paris ratifying the cession already made laid down that "the island of Malta shall belong in full rights and sovereignty to His Britannic Majesty".

At the time of the Treaty England had already started utilizing the island to its fullest extent and the history of her power in the Mediterranean is indissolubly linked with Malta. Britain built a first-class dockyard there and many times her fleet has been concentrated in the magnificent harbor when danger has threatened in the Mediterranean. During the last war Malta played a great part and became the centre of activity for the despatch of troops and stores, and for resistance against submarines. It was also used as a great hospital base.

Such is a brief history of an island whose population has now shown that they can worthily uphold the high standards of past conduct in the defence of their homes and their liberties.



The Fleet anchored at Valetta, which has been bombed over 200 times during 6 months, yet its military and naval establishments are intact.



A plane returns to its carrier after a scouting trip off Malta. Today Malta is without exception the strongest isolated fortress in the British Empire.

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Watch the Danube Palaver!

BY JACK ANDERS

ON AUGUST 31 last the Nazis called a conference "to create new regulations for the use of the Danube as a waterway for German exports." On September 11 last the conference opened at Vienna. A day before it opened, the Russian Vice-Commissar for Foreign Affairs, M. Vishinsky, sent for the German Ambassador, Count von der Schulenburg, and told him that Russia, as a State now bordering the Danube (through the acquisition of Bessarabia) could not remain indifferent as to what happens on the Danube, and demanded to participate in the Conference. Thereupon Russia was invited to participate. She found herself in the company of Bulgaria, Germany, Hungary, Italy, Rumania, Slovakia, and Yugoslavia.

Ever since, one of the major puzzles of contemporary European politics has been not what the Conference is doing, but whether it is still sitting at all. Apparently it is, but one cannot be sure. In the second half of October it transferred its seat from Vienna to Bucharest, and just before New Year it seems to have adjourned until the end of this month.

A Significant Demand

One thing, however, is sure: that Russia is demanding the control of all the mouths of the Danube. And this demand is significant. It is the corollary to Russia's controlling the Dardanelles, or knowing them in the control of a Power that is on friendly terms with her.

The Russian demand for the Danube mouths is clearly directed against Germany, since the whole of the Danube, with the exception of those parts where the river flows through Yugoslavia, is in German hands.

If the Russians spend so much energy and diplomatic effort on securing for themselves the mouths of the Danube, it is obvious that they do so in order to prevent anyone—and this anyone can only be Germany—from reaching the Black Sea by ship. And if they want to prevent "anyone" from reaching the Black Sea by ship down the Danube, it is obvious that they will not allow "anyone" to get into the Black Sea by the Dardanelles and the Bosphorus.

Therefore Russia's attitude in the Danube Conference is highly indicative of where Russia stands with regard to the present war and to Turkey. There is no mystery about her position; however, things are not the way that is usually assumed, but the other way round. It is not Turkey's entry into the war that is dependent upon Russia's "permission," actually Turkey has the initiative to enter at her own time and to force Russia to follow her. Naturally Turkey may be suspicious of the friendly embrace of the Russian Bear, but she knows that this embrace need not be deadly; whereas that of the Nazi Serpent is inescapably so; the difference being based not on the different ideologies of the Bear and the Serpent, but on the fact that Soviet Russia is in many respects weaker than Nazi Germany.

Far-Reaching Consequences

This is not the first time that Russia's Danubian policy has had far-reaching international consequences. Until well into the last century the entire Balkan Peninsula, and with it more than one-half of the navigable length of the Danube, belonged to Turkey. But during the last quarter of the eighteenth and the first quarter of the nineteenth centuries, Russia steadily pressed southwards. In 1812, the year of Napoleon's ill-fated Russian campaign, she took Bessarabia from that part of Turkey which today is Rumania, and thus was a Danubian power. The Kilia Channel became the border between Turkey and Russia. The Kilia is the northern of the three delta rivers of the Danube, the

In September last the Nazis called a conference to settle questions of Danube navigation. They invited all nations whose territory borders on the Danube to participate, but not Russia.

Russia insisted on being invited, and was reluctantly asked in. She is demanding legal control of the entire Danube delta by virtue of the fact that her newly-acquired province of Bessarabia extends along the lower course of the river. Her demand has caused a deadlock in the conference.

Russia's demand is significant with regard to her position in the present war and her relations with Turkey.

middle one being the Sulina, and the southern the St. Georges. (There are others, but they are unimportant.)

In 1829 Russia won another war against Turkey and acquired the entire Danube delta. The Sulina was the only channel then that could take ships of any size. Russia established quarantine stations on the islands in the mouth of the Sulina, and through them effectively stifled the trade of whatever shallow-draught vessels might have passed over the obstacles which Russia put in their way by letting the Sulina go silty.

It has often been said that there was less reason for the Crimean War than for any other war in history. This statement must appear doubtful if one looks at the Crimean War from the Danube angle. From 1829 on the Russians impeded the traffic on the Danube because South East Europe was then, as today, a great producer of grain. If it could have exported that grain, it would have directly competed with the Russian grain that was exported from Odessa on the Black Sea. In view of high rail freights the route down the Danube, through the Black Sea, the Straits, and the Mediterranean was the only one by which Balkan grain could be exported. And through their control of the Danube mouths the Russians could and did stop Balkan grain exports. The stoppage became very unpleasant for Great Britain when in 1846 the Corn Laws were repealed.

Russian Bear Balks

In 1854 this state of affairs had become unbearable, and Austria, Britain, and France suggested to Russia that the principles which the Congress of Vienna (1815) had laid down for the régime of international waterways be applied to the Danube. Russia was quite prepared to agree, but during the subsequent negotiations was so ingenious at inventing legal and technical quibbles that nothing practical happened.

This changed when through the Treaty of Paris (1856), which settled the Crimean War, Russia disappeared from the Danube. She was forced to cede Southern Bessarabia to Moldavia, a Danubian principality under Turkish suzerainty. In the following year Moldavia and another Danubian principality, Wallachia, united and assumed the name of Rumania.

In 1878 Russia was back on the Danube. She won another war against Turkey and was assisted in that war by Rumania. Out of gratitude for the Rumanian support Russia took Bessarabia from Rumania and thus bordered again the Kilia, but did not control the Sulina and the St. Georges. In compensation for Bessarabia Russia gave Rumania the Southern Dobruja, which she took away from another Danubian principality that was under Turkish suzerainty: Bulgaria. In return Bulgaria was given independence.

After the First World War Russia had to cede Bessarabia to Rumania, but last year she got it back, and therefore her present Danubian claims.

Only Riparian Countries

The Treaty of Paris which concluded the Crimean War in 1856 established an International Commission for the régime of the Danube. In it were represented the

countries through which the Danube flows, and furthermore Britain, France, and Italy. The International Commission had to look after the question of international navigation rights. Its jurisdiction extended from Ulm in Bavaria (Germany) to Braila in Rumania. Below Braila to the Black Sea the Danube was under the European Commission, also established by the Treaty of Paris. The members of the European Commission were also members of the International Commission. But the European Commission consisted only of riparian countries (it did thus not include Britain, France, and Italy), and its task was to maintain the river in navigable condition from Ulm to the Black Sea, and to pay for it.

"No Longer Exists"

The Treaty of Versailles re-established both Commissions. Now the Nazi-sponsored Danubian Conference declared on September 14 last that the International Commission "no longer exists."

In the meantime Russia has transferred the capital of Bessarabia, from Akkerman as the Russians call it, from Cetatea Alba to Ismail on the Danube. Cetatea Alba on the Black Sea at the mouth of the Dniester has been the capital of Bessarabia for centuries. Shore batteries at Ismail, the new capital, can easily control the entire Danube delta.

Watch the Danubian Conference, and you will know where Russia stands and which way she will jump.



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Rt. Hon. J.
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Why Ulster Stands Firm Against Union With Eire

BY ROBERT O'NEILL-MONTGOMERY

The big obstacle to Irish union is not religion; it is that Ulster believes that a united Ireland, by reason of its "neutral" majority, would be outside the British Commonwealth of Nations. If Mr. de Valera would make some attempt to co-operate with the Empire, Ulster would respond accordingly, says this writer.

THE RT. HON. J. M. ANDREWS, the newly-elected premier of Northern Ireland, will not prove any less obstacle to union with Eire than his predecessor, Lord Craigavon. This quietly-spoken son of an old Ulster linen family, is a fervent supporter of Carson's and Craigavon's policy of "step by step with England," and the recent attitude of Eire over Atlantic bases, has only hardened that resolve.

Ulster has been blamed by Eire and Britain for adopting a stubborn attitude towards reconciliation. I have heard scores of people in Britain say: "Why can't Ireland unite and end this stupid hatred. Look at England and Scotland; they don't hate each other."

True. But to offer this as an example to Ireland is foolish. James, King of Scotland, became the first King of Great Britain by inheritance. If Mr. Andrews, for example, were chosen by Eire leaders as the first premier of a United Ireland, then, perhaps peaceful union would be possible. How remote that is can easily be seen.

But, contrary to general opinion here, the one big obstacle to union is not religion, nor is it any mulish stubbornness of a small section of the community. It is that Ulster believes if she were to unite in a new Ireland, that country, by reason of its "neutral" majority, would be outside the British Commonwealth of Nations. And that is why Ulster remains adamant.

Different Races

The writer is an Ulsterman who has been many years in Britain, and speaks from a full knowledge of the Ulster character. In order to even partially understand the attitude of Northern Ireland, it must be remembered that the Southern and Northern Irish, as a whole are different races of people. The Southerners are mainly the descendants of the 12 Irish clans, which caused England so much trouble four centuries ago. They, by reason of their isolated position, have had little intercourse with people outside their own parish or county, and consequently have retained many of the characteristics of their forbears. In a word, they are Irish. Now the Ulster people are quite distinct from this. Three centuries ago bodies of Scotch covenanters, and English presbyterians, were settled in the north-east counties.



Rt. Hon. J. M. Andrews, new Premier of Ulster, holds firm against union.

They built presbyterian churches in the new villages and towns, and tilled the soil of Antrim, Derry and Down. Previously the Irish had been ousted from these counties to make way for the newcomers, and in revenge would raid the settlements, as the Indians did fifty years ago in the West of America.

When William of Orange came to

Ireland at the head of the Protestant troops, the Ulster settlers wholeheartedly supported him, while the native Irish declared for James. Civil war was the result, culminating in the siege of Derry. Since that time the two races have kept apart, the protestants living their lives in their own way, and the Irish in theirs. The north-east corner

became more and more a separate part of the Island, and each fresh move by the Irish for national government only made Ulster more firmly resolved to remain a part of the United Kingdom with Great Britain. "If Ulster had consented to a union twenty years ago," a prominent Ulsterman told me recently, "it would mean the whole of Ireland would be neutral today. Ulster could

take no actual part in this war against aggression yet her whole people would long to do so." If Mr. de Valera and his leaders would honestly make some attempt to co-operate with the Empire, Ulster would respond accordingly. But, over and above that, Northern Ireland would demand, before she would dissolve her entity, a much closer bond with Britain than exists at present.

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FROM WEEK TO WEEK

My Brother Jean Baptiste

BY B. K. SANDWELL

CIRCULATING as I do chiefly in the province of Ontario, I have been during the last few weeks more and more impelled to the conclusion that the great issue at stake in the Conference which is now dealing with the Sirois Report is the question whether Jean Baptiste, the typical inhabitant of the province of Quebec, is going to be considered by the typical inhabitant of the province of Ontario as a brother Canadian or as an Outlander. And if he is going to be accepted into the national fold as a brother Canadian, he will have to be accepted just as he is, with all the things which differentiate him from the typical inhabitant of Ontario, including his French language, his religion and his attitude towards it, and his greatly superior fertility; for he will not change any of these things merely for the privilege of being regarded as a fellow-Canadian by the typical inhabitant of Ontario, and he is under no obligation to change any of them, and he regards all three of these things as essential to the preservation of that racial character which is just as dear to him as its equivalent is to the Canadian Englishman or Scotsman or Irishman.

The central theory of the Sirois Report is that maintenance of a certain standard of social welfare should be the task of the nation rather than of the provinces, and that so far as the maintenance of that standard imposes financial burdens (and it does impose very heavy financial burdens in these socially sensitive days) they should be carried not by the taxable capacity of the local units known as provinces, but by the taxable capacity of the nation as a whole. This is a question which can only arise in a federal state, for in a unitary state there is no lesser local authority except the municipality, and the impossibility of loading upon municipalities, with their enormously varying taxable capacity, the whole burden of welfare expenditure is fully recognized. But in the federal state, where the local units—provinces or states—are large and contain a considerable diversity of economic features, there has persisted a tendency to regard these and not the nation as the proper units for the carrying on and financing of the welfare functions of government.

THIS view concerning the proper governmental unit for welfare financing was reasonable enough in 1867, and could do no harm even if it was not reasonable, for the total

expenditure of the young nation on such governmental activities was about a million dollars, and it could make small difference whether it came from the province or from the Dominion. Today welfare expenditure is one of the great items of public finance but it continues to be paid out, and collected, almost entirely by the provinces and their municipalities, except for the grants in aid which were reluctantly consented to by the Dominion when it became obvious that unemployment relief and agricultural relief were vastly too great a burden for the provinces to shoulder. There would probably be little difficulty about transferring a large part of it to the Dominion today, if it were not for the great difference of racial character between one province and the others, and the important bearing which that difference has upon the welfare needs of that one province.

Owing to the religious inculcation of abstinence from all artificial methods of birth control, the birth rate in the province of Quebec is immensely higher than in the rest of Canada. (The theory that early marriage is also a contributory cause is not borne out by statistics in recent years, though it used to be before the depression; since 1930 the average age of both bridegrooms and brides in Quebec has been slightly above that for all Canada, partly perhaps because marriage is seldom entered into lightly and inconsiderately among the French-Canadians.) The crude birth rate for Quebec is 24.6 per thousand; that of all Canada is 20.3, and that of the British Isles 15.5. Australia is 16.4. The "rate of natural increase" (excess of births over deaths) is 13.9 for Quebec, exceeded only by Saskatchewan, while that for the Dominion is 10.6 and for Ontario only 7.3. The proportion of the population under ten years in Quebec is 24.6 per cent; in Ontario 18.7 per cent. In Ontario 58.6 per cent of the population, being between the ages of twenty and seventy, may be regarded as economically responsible for the support of the remaining 41.4 per cent above and below those ages; in Quebec 50 per cent support 50 per cent. One economically productive Quebecker supports one non-productive; one economically productive Ontarian supports only seven-tenths of one non-productive. In British Columbia one economically productive citizen—or citizen of an age to be economically productive—supports only half of one non-productive.

SO LONG as the ratio of juveniles to adults had no particular bearing on the taxes, this disparity had obviously no bearing on the question of what governmental authority should collect the taxes. Apart altogether from the question of education, which is the most serious problem arising out of a high birth rate, it is obvious that all the public expenses caused by poverty and unemployment are greatly magnified when the lack of income of one adult affects fifty per cent more dependents than in the rest of the country. (I may add here that I am quite aware that persons between 15 and 20 are not necessarily or even probably dependents, but I do not happen to have a breakdown of the age distribution for the different provinces by anything less than ten-year periods; also that if the figures for 10 to 15 could be isolated from those for 15 to 20, the loading as against the province of Quebec would be even greater than that which I have shown. It is in the absolutely dependent age range that the discrepancy between Quebec and the other provinces is greatest.)

If it is the desire of Canadians as a whole that the province of Quebec, and other provinces which from different reasons suffer special disabilities in the matter of social wel-

fare, are to maintain their social services upon the same level as the rest of Canada, there are very strong reasons for the transfer of the financial burden involved by those services, from the province to the Dominion. In essence, that is what is sought by the Sirois Report. If it is the desire of the majority of Canadians that these less favored provinces shall bear the burden of their own disabilities, at the cost of permitting the standard of social welfare in such provinces to be seriously below that of the more fortunate provinces, then there are good reasons for opposing the general principle of the Report and insisting that the distribution of burdens shall remain as it was arranged in 1867, when the public expenditure for social welfare, outside of education, was confined to a very modest provision for looking after a few lunatics and defectives.



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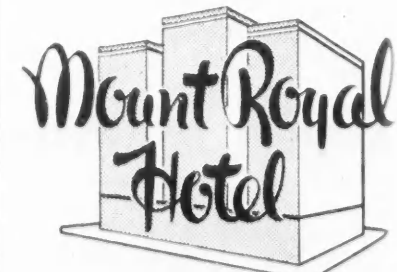
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War at Your Door

BY ELIZABETH GREEY

How Canadians, individually and collectively, can do more to beat Hitler is shown us in this colorful account of what Britain's people are doing. In Britain the war effort is definitely personal as well as national, to a degree that has little reflection yet in Canada.

The author is a Canadian who recently returned to this country (to recuperate from an operation) after three years' residence in London. She is a former student of the University of Toronto and of University College, London. Since the war began she has war-worked on war savings clubs and in feeding under-nourished children.

SAILING up the St. Lawrence on my way back to Canada I tried to imagine how Canadian minds were working on the subject of this war, what sort of questions my friends would likely ask me. I had had many letters; almost every one included some such remark as: "There is such a gulf of experience growing up between us in Canada and you in England. You are enduring and doing so much, and we are enduring and doing so little. It is difficult even to write." Obviously these Canadians were trying to "feel" the war.

After several weeks of chatting about it, I discovered what was meant by that "gulf." Individual Canadians, unless they happened to be in one of the Services or in an arms factory perhaps, did not think of themselves as fighting a war. They did not conceive, as do the people of Britain, of the war as being *total* war. They did not understand how the war effort must be the sum of the war efforts of every individual citizen.

Rationing Began It

I began to search back over the past year to try to understand the great change that had come to the people of Britain, to see how they had changed from a people unaware of the meaning of total war to a people who now found war impinging on every thought and action.

It may have started with rationing. Here was a chance for every one to play a part by conserving. Ministry of Food advertisements drew attention to our limited shipping space. If we tightened our belts, more space would be available for war materials. A challenge to us; we would see what we could do. Then came the emphasis on kitchen economy and the avoidance of waste. We were reminded how many thousand tons of shipping space could be spared if everyone saved that last crust from the garbage tin. The figures shocked us, and we ate the crusts. The Ministry of Food organized "Wartime Cookery Classes" so that housewives could learn to make the most of stuffed hearts and rabbit stew. It all helped.

We were exhorted to grow vegetables; and many of us did. There were so many lettuces at the height of the season they had to be given away at a penny each. Even I, who lived in a flat in the city, joined in the effort. I planted out two window boxes on the roof, one with lettuces and the other with tomatoes. The results were none too fruitful, but it was, of course, the spirit of the thing that counted.

Art of Salvage

By the arrival of summer and the best plum crop in years we were well on. On application, everyone was allowed four extra pounds of sugar for jam-making. Down went the plums. We lived with plums for two months. The patriotic citizen of Britain downed a plum for breakfast instead of an orange from Spain or Palestine or Brazil. The more noble among us faced up to the plum glut even at lunch and on our very good days even at dinner, until gradually there weren't any more plums.

The ingenious art of salvage was in every one's mind. It's amazing how few things we could throw away without having conscience pop up and remind us that they would be useful for someone, somewhere. The practice began with silver paper and milk-bottle caps for melting down into metals. But soon rags, paper, metals and even bones were added to the list. The kitchen took on a cluttered appearance as, at first, the refuse-

collectors couldn't keep step with the conscientious housewives. When Scandinavian supplies of pulp were cut off, the thrifty had even greater opportunities to display their thrift. A request was issued that no purchases should be wrapped if they could be carried away unwrapped without material loss of dignity or content. Government offices set the example of using envelopes over and over again by placing a sticker over the old address. Paper bags were neatly folded and returned to the shop whence they came. The day of the shopping bag returned.

Many districts had Pig Clubs where pigs were raised on the refuse from the tables of local households. The refuse was saved and gathered by little boys. The swine grew fat on the husks, and when they gave their all for the war effort the profits were divided among the shareholders of the Pig Club. Paddington, our borough, was, I regret to say, not sufficiently enterprising in animal husbandry to support a Pig Club.

A deliberate—but nevertheless popular—attempt to foster public spirit and sacrifice was the request of Lord Beaverbrook, Minister for Aircraft Production, for aluminum pots and pans to be transformed into airplanes. "Out of the frying-pan into the Spitfire" was the slogan. The pots and pans came out of the kitchens in such quantities and were delivered with such enthusiasm that at first they could not all be handled.

The Savings Movement

The National Savings movement provides one of the best methods of making people conscious of their responsibilities. It is difficult for the ordinary citizen to realize how money buys work, the work of the man who makes a radio or cuts a lawn. The man who makes a radio or cuts a lawn might be working for the war effort. The new coat one might buy would make a battle-dress. The extra dishes could be exported to America to gain dollars to pay for ships and guns. And money saved now when there is little unemployment and pay-rolls are regular could better be saved and spent at the end of the war when the millions employed in making arms and munitions or in using them are looking for peace-time products to make and sell. The possibilities of the Voluntary War Savings movement have not been fully exploited, but there is an enormous number of contributors of large and small amounts.

The people of Canada obviously want to "feel" the war, to save and make sacrifices. Although they may never have to plan menus without sugar and eggs and may never have to forego an outing because of a gasoline shortage, yet they can cut down on all their expenditures and thus conserve dollars and labor for war enterprise. If they eat less butter, more cheese can go to Britain. If they give up their winter head-lettuce from the United States, they will save American dollars to pay for training-planes. These things are desperately important. They are important because of their results on our war economy, and they are important because they teach us how to sacrifice. The Germans may not be waiting in barges a few miles from our shores, but Canadians can grow conscious of the fact that this war will be won in the factories of this continent. Patriotism, as has been shown by the people of Britain, may start in a small way with the switchover from individual to public thinking, but it grows with increasing momentum when its results are recognized.



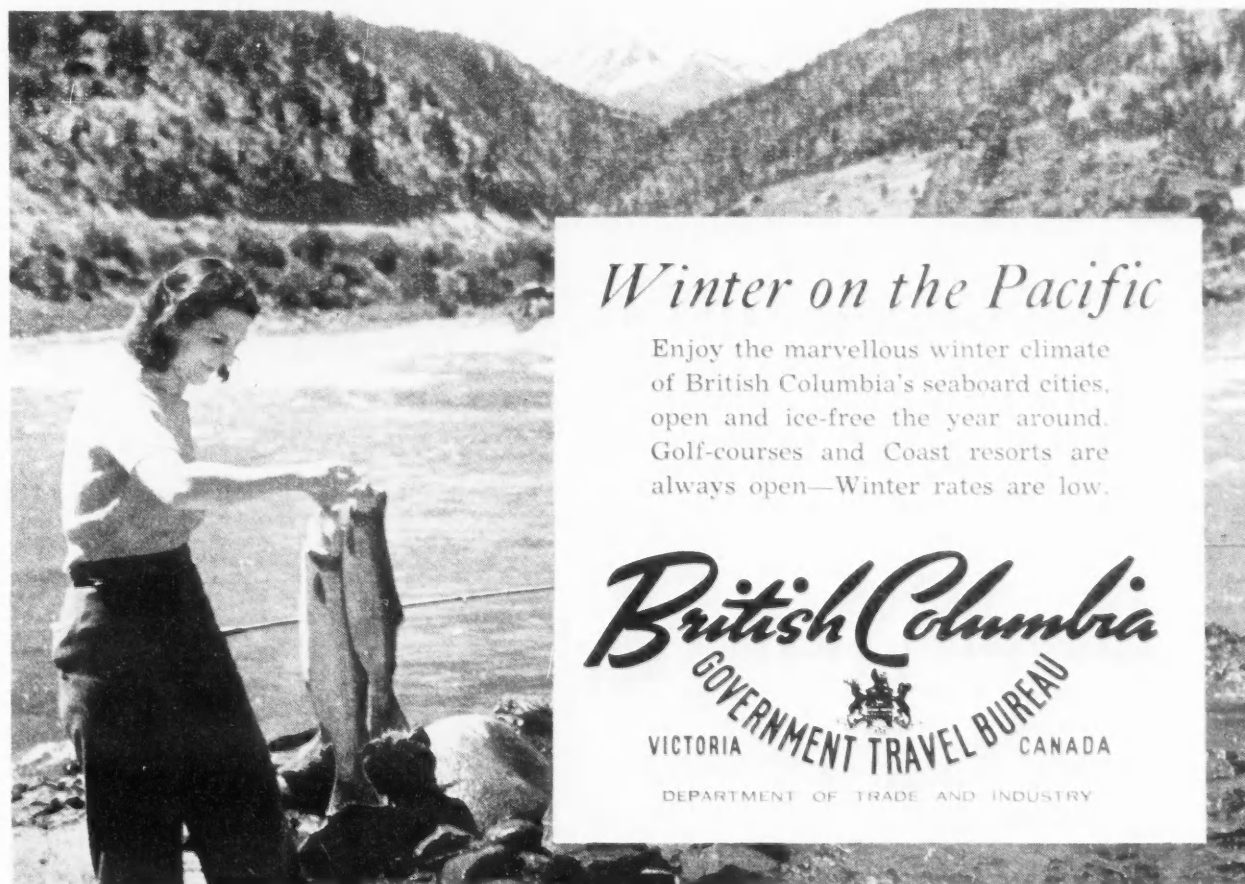
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DEPARTMENT OF TRADE AND INDUSTRY

MR. T. P. WRIGHT of the Curtiss-Wright Corporation, writing in the current issue of *Aeriation*, proves with appropriate graphs and tables that Britain, with her own plane production and half of the American, will not attain numerical parity with the Axis until March 1942. Major Oliver Stewart, editor of the British magazine *Aeronautics*, air correspondent of the *London Daily Telegraph* and *War Weekly* and B.B.C. commentator, asserts that we shall have air mastery by May of this year. Whereas German attacks on Britain, he says, will be met by ever-increasing resistance, British attacks on Germany will be carried out with ever-increasing forces of bombers.

The news rather confirms Major Stewart's view, if one perhaps changed "May" to "midsummer." Those massed daylight raids carried out with impunity last weekend against German bases, barracks and aerodromes in Northern France make it look as though we were out to extend that daylight air mastery over the British Isles which we established so firmly and finally last September 15, over the opposite shore of the Channel. The reports of our night fighter patrols (which are chiefly *Blenheim* I's mounting a 4-gun turret amidships) cutting short incendiary raids against Ports-

mouth and London look like the beginning of the conquest of the night raider, and an earnest on Sir Hugh Dowding's recent claim in Ottawa that the "weight and sting" would be taken out of them by spring.

Lord Beaverbrook's statement that British aircraft production for each month since May had exceeded that of the month before, and that in December it was double the production of December 1939, checks with innumerable eye-witness reports that in spite of all the indiscriminate destruction they have caused to British cities the German raids have only cut British production by possibly ten per cent. On the other hand, from experience with the German mentality, Goering's loud boast last week that while the RAF hadn't destroyed a single German factory the *Luftwaffe* had cut British production by 40 to 50, and in some cases 70 per cent, indicates that German production has been severely hampered.

THE HITLER WAR

Gaining Mastery Of The Air

BY WILLSON WOODSIDE

You will remember how, in the great daylight air battles last summer, the German communiqués always reversed the score. At the same time a few squadrons of our long-range bombers, of our fighters in Egypt and Greece, and the Fleet Air Arm have been rapidly disposing of the Axis part of Mr. Wright's calculation.

Axis Has 41,000

I have no intention of quarrelling with Mr. Wright, who is an outstanding expert on aircraft production, and who moreover comes to the helpful conclusion that Britain must have a still greater share of United States production in order to achieve parity sooner. It is important that we have as accurate a forecast as possible of the plane production that can normally be ex-

pected, in Germany, Italy, Britain and the United States. It is also important that those figures then be interpreted in connection with the many other factors which go to make up air mastery. Here is Mr. Wright's calculation: The Axis, he says, has 41,000 planes on hand today, Britain 24,500, and the U.S. 6000. British production plus half-American ought to build up to 2200 planes a month and equal Axis production by June '41, afterwards climbing to 3200 a month by the end of '42, while Axis production declines to 2500. Not until March '42, however, will British strength equal Axis strength, at 49,000 planes.

But will we be concerned about Italian production by the end of 1942, or even 1941? Or today, for that matter? Does it give the proper impression to lump in all the five, six and seven-year-old Italian planes as equal units with the German? And how about the great stocks of

Messerschmitt 109's and Junkers 87's with which the Nazis must be loaded up? The *Junkers* 87, the notorious "Stuka," achieved its grisly successes in Poland, at Rotterdam, and in the Flanders campaign, where fighter opposition was negligible. It has been little used over Britain since last August, its 260-mile-an-hour speed and single machine-gun making it a sitting-bird for our fighter-pilots. Thus when a formation of 21 Stukas attempted to attack a convoy in the Thames estuary on November 8, a squadron of *Hurricanes* potted 15 of them in five minutes without loss to themselves. Six days later a dozen *Spitfires* downed 13 *Ju* 87's as easily off Dover, though they were escorted by a flock of *Messerschmitt* 109's. The latter may have been the world's leading fighter plane at the time of the Spanish Civil War, but British experts believe that it has reached the limit of its development. Our *Hurricanes* and *Spitfires*, on the other hand, can be kept in the front line at least through 1941 by fitting cannon and boosting their speed by about ten per cent with the improved Rolls-Royce *Merlin* X 1145 h.p. motor. It seems, therefore, that a better picture of the relative material strength of the two sides could be obtained by reckoning up the available stock and the production, of current high class models only, and weighting the stock of old models and the whole of the Italian strength.

But What of Spirit?

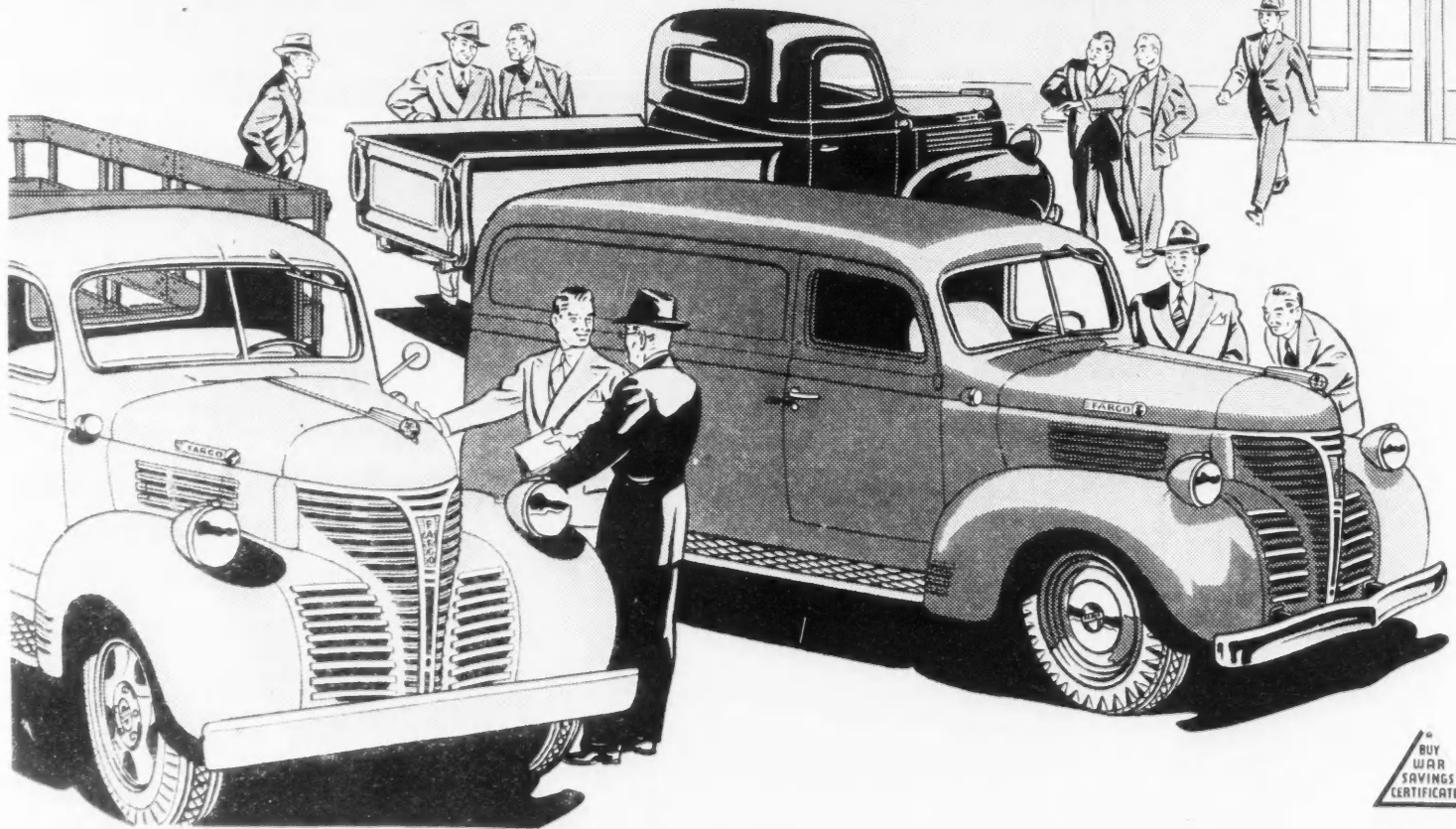
But this would still be only a material comparison. It would still leave out such factors as the care and accuracy with which British and Germans drop their bombs, the judgment of the two High Commands in choosing their targets, the fighting quality of the opposing airmen, and the ability of their respective countries to "take it" and carry on. Will the German fliers, for instance, after having all the best of it and being confident of winning a quick and easy victory with their overwhelming numbers, fight a good uphill battle and retain their belief in victory when they find more British planes in the sky every time out? Will the German home front hold out through still another winter of still heavier bombing, into 1942, after being promised a glorious victory by August, by September, then by Christmas 1940, and now by summer 1941, and being assured that no enemy would ever be able to bomb them, and besides wouldn't dare to? That is the great intangible factor in the war. But, without confusing the Germans with the Italians, it seems pertinent to recall that once the tide turned definitely against them on that August 8 which Ludendorff called the "Black Day of the German Army," they were only seven weeks in suing for peace.

It is also well to recall that before August 8 or November 11 there came the tremendous offensives of March, April, May and July, 1918. Naz Germany too, can undoubtedly deliver several furious assaults before we will have definitely wrested the initiative from her. These very efforts, however, just like her offensives of 1918, will hasten on her collapse more than our own blows can do. But it seems that, just as in 1918, she has to make them this Spring, because the alternative is certain defeat when American production makes its full weight felt. I discussed in these columns a fortnight ago the question of whether through new plane models, new explosives or incendiaries, new combinations of armor and gun-power in their planes, or the use of gas or bacteria, the Germans might still win daylight mastery of the air over Britain, decide the war by their night raids or carry out a successful invasion.

Can't Win at Night

It is simply impossible to believe that after the immense strengthening of our fighter defences over last summer's, and with our own new plane types, the Germans can resume the struggle for daylight air supremacy with any better prospects for success than when they suddenly dropped it last September, after losing up to a quarter of a thousand planes in one day. (Air Marshal

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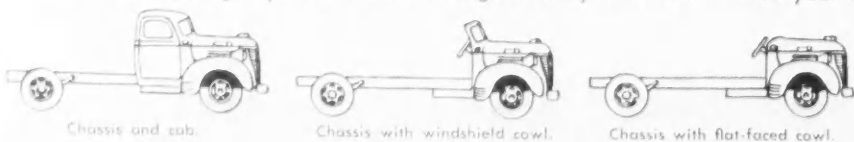
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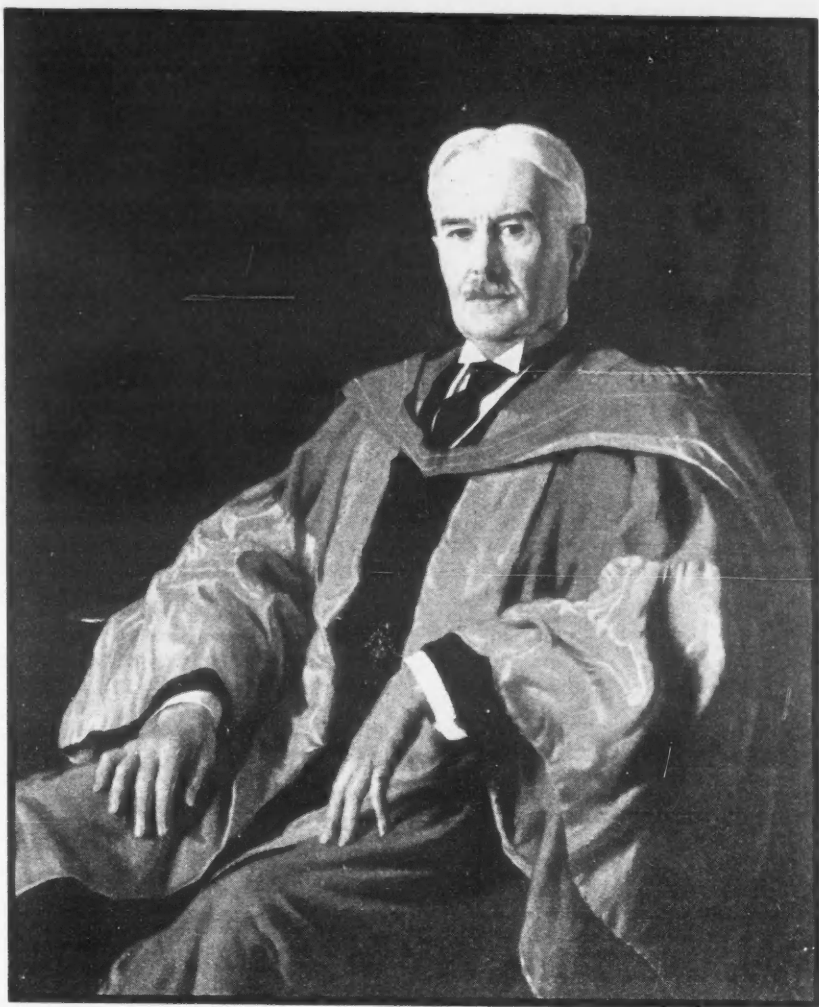
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Barratt's final accounting for September 15 was 232 Nazis down for certain, with 17 more probable. The night raids cause far more concern. It is certain that the Nazis can cause immense indiscriminate destruction with them before they are mastered, but observers on the spot continue to assert that they can't win the war that way. Quite as much concern attaches to the raids on shipping, though probably not more than half of the losses here are directly due to air bombing or to the directing of submarines by observation planes, and the past several weeks have shown a most welcome decline in sinkings.

Our own air and sea defences of the western approaches are being constantly strengthened though the lack of bases in the west of Ireland remains a severe handicap. It was just the other day that the Air Ministry spoke of the numbers of Lockheed Hudsons and Consolidated flying boats, both intended for this service, which are crossing the Atlantic under their own power. But our daylight air raids across the Channel are also intended to cope directly with the night and the commerce raider by getting at his bases.

We are building up a splendid group of machines for this job which look better than anything the Germans have, light bombers like the Blenheim Mark IV, the Beaufort, the Martin 167 and the Douglas DB7, or "Boston." Take the latter, for example. It has a top speed of 320



This magnificent portrait of Dr. Bruce Macdonald, Chairman of the Board of Governors of the University of Toronto, was presented to him last month at a meeting of the Board. The presentation was made by the Vice-Chairman, Dr. T. A. Russell and was his last public action before his sudden death. Dr. Macdonald, in turn, presented the portrait to the University and it will hang in Hart House. It was painted by Kenneth Forbes, A.R.C.A. It is of interest to note that Dr. Macdonald and President Cody are now the sole survivors of the Royal Commission of 1906 which created the present constitution of the University and which had as its primary object the emancipation of the institution from political interference on the part of the provincial government.

miles an hour, mounts four machine guns forward and two aft, will carry a ton of bombs, and has a cruising range of 1200 miles; and 500-600 of them are to be produced this year. Of the long-range fighters which are accompanying these fast, light bombers, or which will accompany them when they reach out a little further, we have so far heard little, except that we have them. The raids which these planes are carrying out over Northern France make the best news of the war in the air since last September. When one thinks of the massacre of our Battles in the fighting at Sedan, when 37 out of 70 planes were lost in destroying three German pontoon bridges, and the similar massacre of the Junkers, Heinkels and Dorniers when they ventured over Britain last summer, the daily accounts we read about our bombers carrying out these raids over the great German stronghold across the Channel and "all our aircraft returning safely" look uncommonly like the beginnings of daylight air mastery over that region.

German Defence Problem

Nor is it like our High Command to start this sort of thing just by way of variety; they wouldn't begin it unless they were prepared to follow it up, as the unqualified success must encourage them to do. Let Jerry now try his hand at concentrating eight or ten fighter squadrons quickly enough to meet our thrusts. And let us see if he will send in one squadron to hold our ten, while his others are coming up, as we did last summer. If German planes can reach Britain in six or seven minutes from bases across the Channel, our striking forces can now reach those German bases in six or seven minutes. If the Germans have found it convenient to converge on Britain from bases spread around a great semi-circle from Bergen to Brest, we shall see whether they find it as convenient to guard such an extended front, when we are doing the sudden striking and they have to spread out their fighter forces and be on the lookout everywhere.

ers, we shall change those German plane production figures and work on Germany's vulnerable oil supply. With our light, fast day bombers and the proven moral superiority of our fighter pilots we shall gradually extend our daylight air mastery across Northern France, the Low Countries, to the Ruhr and Lower Rhine.

Don't be surprised if before that happens the Germans should propose that the "inhumane" bombing of cities be stopped, as they did in the spring of 1918 when, after having started this sort of thing themselves over Britain three years before, they finally found themselves getting the worst of it.



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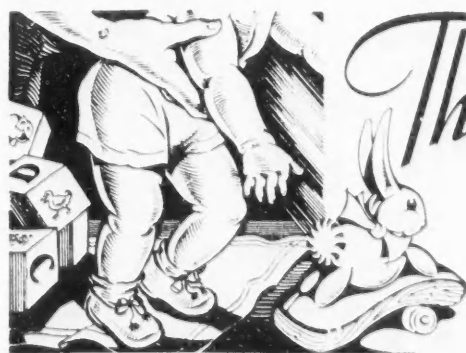
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Meanwhile our night bombing attacks are steadily getting heavier and heavier and spreading out farther and farther. The Wellington, now fitted with the 1145 h.p. Merlin X and even the 1325 h.p. Bristol Hercules, is still the leading bomber of its class in the world, and is rolling out in quantities. Then there are newer and bigger British bombers, such as the Short Stirling, which are carrying bigger bombs to Germany than any which the Germans have so far dropped on Britain. There are the forty Boeing-B-17-B's expected shortly in Britain, and misleadingly called Flying Fortresses. And there are the Consolidated B-24's, which many seem to regard as a sort of imitation Flying Fortress, but which the British magazine Aeroplane says are simply in a different class, "the best military aeroplane ever built in America." It is five years newer in design than the Boeing-B-17-B, will do 330 miles an hour against the former's 268, has a tricycle undercarriage, and British gun turrets fore and aft. What's more, it appears to be being produced in real numbers. The first batch of 26 may be in Britain by now.

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THE LONDON LETTER

Lumme! Can 'E Take It? Not 'Arf!

BY P. O'D.

IT IS perhaps invidious to pick out any particular group of British workmen for special praise, when they are all carrying on so magnificently. But there is one lot among them for whom I must confess to feeling a warmer than usual admiration, and that is the lorry-drivers. What a grand job those chaps are doing—and what a tough job!

Driving a lorry at any time is a highly skilled business. It calls for judgment and experience and stamina. But driving a lorry in England just now through the long hours of darkness, with utterly inadequate lights, with no road signs and no road lighting, over surfaces made treacherous by mist and rain, with Nazi bombers droning about overhead, and the barrage guns crashing out their challenge—this is something to appal any but the stoutest and steadiest. One such trip would make nervous wrecks of most of us. And yet these fellows, thousands of them, do it for ten, twelve, fifteen hours at a stretch, day after day. I don't know how they stand it.

The other night I had a chat with one of them, a man who used to be a chauffeur in a local family. He had just come in off the road and, without taking time to change into his uniform, had turned out for drill with his platoon of the Home Guard. Remembering the smart chauffeur at the wheel of the family limousine, I hardly recognized the tough-looking fellow in the cap and muller, with the stains of oil on his clothes, and evidence that other smudges on his face and hands had been hastily and not entirely removed.

He had just done a twelve-hour stretch between London and towns on the East Coast, on a day of wind and driving rain that swept almost horizontally across the roads. And he had six tons on behind him most of the time. Sounds nice and solid.

doesn't it? And it is nice and solid unless it should begin to skid. Just a bit too quick and hard on the brakes, and well, they might perhaps be digging you out from under the load. It is a chance that the lorry-driver, travelling through the almost unrelieved darkness, must take over and over again every day of his life. No wonder those lads look tired and a bit strained—especially about the eyes.

It is true that the pay is good—ten pounds a week and better for many of them. But I don't believe it is the pay that keeps them at it. At any rate, not just the pay. They are doing a big and vitally important job, and they know it. I asked my friend the chauffeur if he would like to be back in the family Daimler.

"Lumme!" he said. "Wouldn't I? not 'arf! But somebody's got to drive the lorries, so I fancy I'm in for the duration. And, you know, it's funny, but it's not a bad life when you get a bit used to it—drivin' like that through the night, with the barrage shells goin' off like bloomin' fireworks, an' the villages all quiet an' dark. You don't see much, an' yet you seem to see a lot, if you get what I mean. You think a lot, too. Anyway, I can stick it."

He grinned and made the familiar gesture with his thumb. Stout fellow!

Changes in the B.B.C.?

Rumors of impending changes in the high-up administration of the B.B.C. have been flying about of late. There have, of course, been the usual official and semi-official denials, but the rumor-mongers are not easily discouraged. They insist that important changes are being considered, and they go so far as to predict that Mr. Ogilvie, the Director-General of the B.B.C., will resign, and his place be taken by Sir Walter Monckton, K.C., or by Mr. Frank Pick. There was even talk of a Cabinet Minister being transferred to the job.

Possibly there is safety in numbers for Mr. Ogilvie, that is. The fact that so many different people have been suggested as his successor may well mean that the Government has come to no decision in the matter, and is not at present likely to come to any. The whole discussion indeed may imply nothing more than that the public is not satisfied with the way the B.B.C. is run. But then the public never is really satisfied with the way it is run—certainly not all the people all the time. A board of archangels couldn't satisfy them.

Just as almost any newspaper reader feels that he could run the paper better than the editor, so the average wireless listener has a quiet conviction and not always a quiet one—that he could make a much better job of the programs than the men whose business it is to devise and broadcast them. At such a time as this, when broadcasting is beset with all sorts of difficulties technical and otherwise, criticism is inevitably rife much rife than usual.

As a little instance of the sort of thing the directors of a national broadcasting system are up against, a flood of letters recently poured into the Press—especially, as might be expected, to the majestic *Times*—protesting against the unseemly levity of B.B.C. news-announcers. The poor fellows had permitted themselves, or been permitted, an occasional mild joke by way of lending a little vivacity to an otherwise dull though convincing narrative. To the indignant writers of the letters they might have been so many hilarious vicars introducing off-color stories into their Lenten sermons.

There are, of course, more serious grounds for criticism of the B.B.C. Experts seem to be agreed that the foreign news service and propaganda are not as good as they ought to be. Perhaps they are not. I don't know.

I never listen to the things. My knowledge of foreign languages being what it is, it would do me no good if I did. But, even if these broadcasts are not all they should be, I have a feeling that neither Sir Walter Monckton, an eminent K.C., nor Mr. Frank Pick, an eminent traffic expert, is likely to do any better with them than Mr. Ogilvie has done.

Besides, I console myself with the reflection that, however little our own critics may think of these efforts, our enemies seem to think quite a lot. They are forever railing at British propaganda as peculiarly subtle, vicious, and pervasive. And those boys ought certainly to know! Perhaps British propaganda isn't so very feeble and woolly after all.

A Great Golfer Passes

Forgive a humble but fanatical golfer if he takes a little space to lament the passing of one of the great men of the game—the greatest indeed of all British amateurs—Mr. John Ball. He died last week in his 79th year, and all that is left of British golfdom ties a bow of crepe on its golf-bag, so to speak, and stands for a few minutes pensive among the bomb-craters, remembering his triumphs in the happy and distant past. He was one of the giants.

Perhaps the first thought that occurs to the reader, if a golfer, is to wonder how he would have compared with "Bobby" Jones. In the matter of golfing honors, "Bobby" is easily first. No other player has ever won so many trophies, though John Ball was eight times British amateur champion, and was the first amateur to win the Open—just fifty years ago! But it must be remembered that the big events were far fewer in those days, and golf was not the sort of career it has since become. Amateurs still played for the fun of the thing. There were no other rewards.

As a matter of fact, there is an odd similarity between the careers of John Ball and "Bobby" Jones. Both were boy wonders. At the ripe age of 15 Ball was sixth in the British Open. And then, just as in the case of "Bobby," there came a long arid stretch. Ball's lasted for 12 years, until he won his first Amateur in 1888. After that the golfing honors came thick and fast, up to his last Amateur in 1912—the famous final at Westward Ho!, in which he beat Abe Mitchell, then an amateur, at the 37th hole. Ball was a stout finisher.

I never saw Ball play, but I have talked with a good many who did, and a few who had the privilege of playing with him. They all spoke, almost with reverential tears in their eyes, of the supreme beauty and ease of his swing, the power and accuracy of his iron shots, and the perfect serenity of his temperament. He was the quietest and most modest of men, though at his native Hoylake if a golf-course can be so described everyone treated him with an open hero-worship that would have turned most men's heads. To Ball golf was only a game, and a golf champion only a fellow who played it rather well. He had no illusions of grandeur.

In his old age Ball retired to Wales and took up poultry farming. It seems an odd choice, and yet, when you come to think of it, a natural enough one. There is something about the round whiteness of eggs that may well have brought back happy memories. I wonder if he ever felt like taking a swing at one.

All this, I fear, may seem trivial stuff to the reader, in these times of the testing of nations. But it is pleasant to talk now and then of something else than war, pleasant to think of the lovely turf of fairways and greens, the flying white balls, and the happy crowds hurrying along after the champions. And this old gentleman, who died the other day in Wales, was a famous champion.



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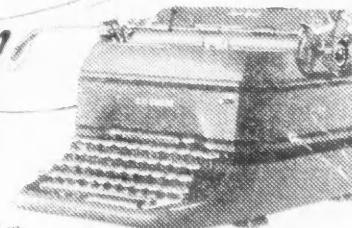
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Canada United in Determination to See War Through to Ultimate Victory

"It is a Patriotic Duty to Save and Lend to Government"

says JOHN R. LAMB, President of
THE BANK OF TORONTO

The 85th Annual General Meeting of the Shareholders was held at the Head Office in Toronto on Wednesday, January 15th, when the President, John R. Lamb, and the General Manager, F. H. Marsh, addressed the shareholders.

THE PRESIDENT'S ADDRESS

Gentlemen—

The figures presented to you to-day disclose what we believe you will regard as a satisfactory statement of the Bank's position.

Net Profits are a little below last year.

Total deposits are slightly down due to Dominion Government balances being lower. Deposits by the public show an increase despite heavy withdrawals for investment in war loans.

I will leave it to the General Manager to make more detailed reference to the figures.

War Output Makes Headway

When we met a year ago, the war was new and the economic effort was merely taking shape. Since then the programme has advanced to first place in our national life. Gross production has increased by about 25 per cent, the year 1940 setting a new high record. Nearly all of the normally employable labor is now at work, and the reserves of people who ordinarily do not take part in production have already been drawn on to a slight degree. Most industrial plants are active. Greater war production must and will undoubtedly be achieved. This is one of the major problems.

The war is still far from being won. We are not safe from disaster. Indeed, it is only in recent months that there have been any compensations for the very heavy reverses suffered by Britain and her allies during the first nine months of the war. It would be the height of folly to ignore or under-estimate the task before us. Complacency is a dangerous Fifth Columnist in our midst. We must and will win the war but we can do so only by whole-hearted co-operation of all classes of the community guided and directed by able, efficient leadership.

In regard to efficient leadership in our war effort, may I take this opportunity of saying that the Dominion Government has been well advised in drafting Mr. H. J. Carmichael, Vice-President and General Manager of General Motors of Canada, Limited, and a Director of The Bank of Toronto, as assistant to Mr. H. R. MacMillan, Chairman of the War-time Requirements Board. Mr. Carmichael, at great sacrifice to himself and his Company, has resigned from General Motors and will give his full time to organizing Canada's industry for a maximum war effort. It is heartening to all of us that Mr. Carmichael and other men of outstanding executive and organizing ability have accepted their Country's call to these key positions in the wartime mobilization of Canadian industry.

Nearly All Industries Engaged

The influence of the war has extended to practically every phase of life in Canada. Economic forces have a vital part in the struggle. Industries have been drawn into a broad-scale development to fill our own needs as far as possible and to supplement Britain's output. There is no reason why even the present production levels should stop us and further employment and efficiency should enable us to greatly exceed them.

Steel is naturally the keystone, and in all its branches it is now working at capacity, with some plant extensions under way. War orders are on a large scale in textiles, electrical equipment and numerous other lines. Ship-building has been revived. Many concerns, including the railway equipment and automotive plants, have been wholly or partly converted to war purposes. Transportation is active, and nearly all electrical energy is being utilized.

Foodstuffs on the whole have not been in great demand. This is due to the blocking off, through hostilities, of

large sectors of the world market, thus compelling the import areas to go short while the export areas have over-abundance. Our markets accordingly are narrowed. Britain has to be content with a rationed consumption, and her needs are filled from various sources, having regard for the necessity of maintaining mutual relations with many countries in order that her own goods may be exported. These conditions have prolonged, up to the present, some part of the agricultural depression that existed in previous years.

The wisdom of continuing farm output on the present scale is in some quarters being questioned. The wheat outlook for the immediate future is rather a disquieting problem, but it should be remembered that when the war is won by us, the nationalistic extremes that have suppressed trade in recent times are likely to vanish. It is highly desirable, therefore, that we retain our capacity for exporting wheat and other farm products on a large scale. A liberal stock in trade is one of the best assets we can have, whatever may develop, provided that it is a low cost inventory and not a high-priced speculation.

The 1940 wheat crop was large, and elevators are now full. More temporary accommodation will probably be needed to provide for the next crop. Livestock markets are somewhat better, and this branch of agriculture is being extended. Dairy products have recently improved their position.

Lumber is in considerable demand principally for war purposes. Curtailment of supplies from Scandinavia has helped our pulp and paper industry, which once again is in an earning position.

Mine Production Makes New Record

Mining has advanced in importance. Canada's gold output is in the neighborhood of 200 million dollars a year which, being at once convertible into U.S. exchange, gives it an essential place in our economy, so that the output must be sustained, and, if possible, increased. The gold mines have not merely added to our growth in the past; they are a tower of strength in the present situation. Production of other metals has also increased, demand being stimulated by war requirements.

Incidentally, there is scarcely a Canadian industry that does not benefit from mining expenditures, and the various governments are deserving of credit for the encouragement and assistance that they have given and are giving to this important industry.

Development of Tourist Trade Essential

Another source of wealth that is particularly valuable at the present time is the tourist trade. The governments, tourist agencies, railways and business organizations are rendering splendid service to Canada in this connection, and the banks have also been giving valued co-operation. It is hoped that the tourists will be impressed with our country and with the courtesy and fair dealing of our citizens.

Foreign Trade Opportunities

The war has interfered with trade in many parts of the world. The American hemisphere is least affected, and all of its countries are interested in opportunities of mutual benefit. Canada has an active part in this movement, being in a position to increase its trade especially with the British West Indies and South America. It is regrettable that the recent Trade Mission under the Hon. J. A. MacKinnon, Minister of Trade and Commerce, had to be cancelled, but we hope it will be resumed in the near future. We need export business and have an opportunity to strengthen our position in these countries.

Wide employment in industry as a whole, with stable wages and prices, has maintained and even stimulated retail trade. Wage earners individually may spend less than formerly but there has been a great increase in the number of people employed. Government policy seeks to modify

civilian consumption. Taxes, embargoes and other controls are being adopted for this purpose. Savings are needed for loan to the Government. Such measures have the effect of restricting normal consumption, thereby permitting a diversion of effort to war goods. This may mean a lowering of the average standard of living which will be a new experience for Canadians.

The Dominion Government has recently stressed these features and the necessity for governing ourselves accordingly must be apparent to any careful student of public affairs having in mind the eminently sound principles being applied in our economic programme, which seeks, as far as possible, to pay our way through taxes and savings and avoid inflation which always is disastrous and inflicts the heaviest penalties upon those least able to bear them.

Industrial Base is Broadened

Compared to the last war, when our output comprised little more than primary products and limited manufactures, Canada's material base for a war production programme has been widened to a remarkable degree. The development of new sources or new processes in minerals, cellulose, wool, tobacco, etc., provide a much greater foundation for finished goods than we ever had before, and in such an emergency as this we can be more self-contained in respect to our own needs, and at the same time we can be a large scale producer of ships, shells, tanks, airplanes and many other articles. Very few others have as broad a basis, and they are the leading industrial nations. We may well hope for such a place for Canada in the strengthened Empire and in the new world which should come out of this war.

In order to occupy this position, however, it is necessary that we be efficiently organized. Plants must be wisely located and sufficient earnings made annually available for purposes of maintenance, replacement and expansion. Labor must be varied in its character, fairly compensated, and reasonable in its attitude toward others. There must be experienced and capable management, supported by the kind of technical skill which, through finding the best products and the best methods for making them, keeps the door to success always open. Finally, we must have government which is adequate but not excessive, efficient but not bureaucratic, progressive but not radical. We have gone far enough to know that we can go farther, provided that we straighten out the kinks as we go along, avoiding on the one hand a slavish adherence to the past, and on the other hand the mirage of unworkable ideals.

Simplification in Government

An effort is now being made towards carrying out the recommendations of the Royal Commission which studied the powers and finances of our dual governments. A war situation may inspire a willingness to agree to measures which at other times would be merely controversial. We have suffered greatly from duplication and over-government. Whatever may come out of the new movement should be in the direction of simplicity and efficiency. There is a widespread need for economy which has been recognized by a great number of municipalities, resulting in an improvement in their finances. The Dominion and Provincial governments have been less careful. They cannot expect the citizen to economize to a greater degree than they are prepared to exercise themselves. There is an opportunity to effect governmental economies and eliminate waste and duplication that may never come again. We are fast approaching a general shortage of labour. Many of the younger men in civil service will be attracted by higher wages in business and industrial fields. This will enable many changes to be made without imposing any hardship on employees in reorganized departments of governments. Savings effected in the cost of Government would not only be

a real war time service but would be of inestimable benefit when we face the inevitable and difficult readjustment period following the end of the war.

The Business of Banking

At a meeting such as this, which in its broadest sense represents the interests of proprietary shareholders, many hundreds of employees who will spend their entire working lives in banking, thousands of depositors who use the Bank as the medium for their personal and household financing, and all those business concerns which look to us for temporary borrowing needs, we cannot avoid some reflection as to what our status may be in the new world. If our democratic countries succeed in holding the fort against the destructive forces that are assailing us from within and from without, as succeed they will, we should have no fear concerning the individual's opportunities for prosperity and happiness, nor concerning this business of banking, which has been developed over the past century in Canada with considerable care and success. We want neither the red destroyer nor the black-shirted dictator. We want, instead, to rebuild our lives around the things that endure throughout the ages, friendly and helpful co-operation between capital and labor and the love of home and family that inspires thrift and security. Although political thought in recent years has been in a state of turmoil, the axioms of the past being abandoned while new ideals are but vaguely formed, I feel safe in saying that the great majority of people hope for a life in which the best features of individualism will inspire our actions, while the government remains as an arbiter which aims at justice without subversion.

We Canadians, along with other British peoples and their allies, are deriving great comfort and encouragement from the rising tide of sentiment and the material aid from the United States. The recent addresses of President Roosevelt visualize a combination of democratic ideals and democratic strength in which we are proud to have a place.

Must Co-operate to Win the War

Summing up, Canada's maximum contribution to the war can be achieved only by planning, directing and controlling her economy in such an efficient manner as to make the utmost use of her resources. Leaders in politics and business must work in co-operation. The public must prepare themselves for increasing sacrifice. The heroism with which our battles are being fought, the sufferings which are being endured by the people of Britain with confident enthusiasm and Christian fortitude, must be backed by our utmost moral and material support.

Our duty is clear. It calls for immediate and sustained action. We must see to it that we who can, do our full share in helping to provide the sinews of war through generous purchases of war bonds and war savings certificates. The dominating thought in our minds must be the winning of the War.

F. H. Marsh, General Manager Nominated for Director

The President announced that the name of Mr. F. H. Marsh, General Manager of The Bank of Toronto, would be submitted for election as a Director.

GENERAL MANAGER'S ADDRESS

Mr. Chairman and Gentlemen, I have the honour to place before you the 85th Annual Balance Sheet covering the Bank's operations for the year ending November 30th, 1940.

Profits

Our Net Profits are \$1,294,549, and are \$29,679 less than a year ago; this after amply providing for all known and anticipated contingencies, taking care of the usual contribution of \$150,000 to Officers' Pension Fund and paying Dominion and Provincial taxes which were \$237,700, in excess of last year. From this amount \$250,000 was written off Bank Premises and the regular dividend of \$600,000, paid, leaving a balance of \$444,549, to add to Profit and Loss Account which now stands at \$2,974,243.

Total Assets

Total Assets amount to \$165,489,977, compared to \$168,339,469, a year ago. Of the total, \$105,637,655, or 71.68% of all liabilities to the public consists of cash, bank balances (including deposits with the Bank of Canada) and other assets readily convertible into cash.

Securities

Our portfolio of securities \$77,983,291, shows a small increase of \$893,000, for the year. Dominion and Provincial securities, which mature within two years, are higher by \$8,889,000, while other securities are down \$7,996,000. Of the total 94% is in Dominion and high-grade Provincial and Municipal bonds of relatively short maturity. It will be satisfactory to you to know that our securities are carried at figures well within the present market value.

Call and Short Loans

These total \$1,232,005, a reduction of \$928,724, which reflects the quiet security markets.

Commercial Loans

\$50,775,854, an increase of \$3,666,528, as compared with a year ago and attributable in the main to the greater industrial activity presently prevailing and the abnormally large stock of wheat still in the country. We welcome opportunities to extend credit assistance to business, both large and small.

Municipal Loans

Loans in this category at \$3,799,790, are down to the extent of \$2,267,739. The improved financial position of municipalities in general as the result of reduced relief and other expenses and the better payment of taxes, has of course, been responsible for the lower municipal borrowings.

Bank Premises

\$3,240,150, are down \$143,615. The appropriation of \$250,000, for premises account enabled us to effect this reduction after providing for expenditures during the year.

Notes in Circulation

\$3,427,259, a reduction of \$170,245.

As from January 1st, 1941, the maximum to which we are permitted to circulate our notes was reduced to \$3,900,000, and this latter amount will be decreased by \$600,000, annually for the next four years to conform with the provisions of The Bank Act.

Deposits

\$140,743,210, are \$1,291,764, lower than a year ago.

Dominion Government deposits included in above total are \$3,817,311, a reduction of \$4,238,177. Under present conditions we can, of course, expect considerable fluctuation in this item.

Provincial Government deposits at \$1,623,030, show an increase of \$667,377.

Deposits by the Public \$135,302,868, are the highest in our history and indicate an increase for the year of \$2,279,036.

This is a most gratifying showing, having in mind that our depositors subscribed heavily to the two Dominion War Loans of last year.

Branches

During the year we opened two branches in Toronto, one at Avenue Road and St. Germain Ave., the other at St. Clair Avenue and Bathurst Street, and closed at Kennedy in Saskatchewan. We are now operating 172 branches.

Inspections

The usual inspection of all branches has been made during the year by our inspection staff, and the usual audit of cash, securities and loans at Head Office and main branches in Toronto, Montreal, Winnipeg and Vancouver has been made by the shareholders auditors.

Staff

I wish to express the appreciation of myself and the other Executive Officers of the splendid assistance and co-operation received during the year from the men and women members of our staff numbering in all 1,234. Their good work has in large measure contributed to the satisfactory statement now in your hands.

I would also like to pay tribute to the 88 members presently on active service, and, as well, to the men who have offered their services and are now awaiting call. To those who have gone overseas, I am sure you will wish to join with me in extending all good wishes for their safe return.

In conclusion I feel sure that it is a source of satisfaction to you to know that your Bank is in a position to bear its share of the burdens imposed by the war as evidenced by the statement before you, and I can assure you that we stand ready and willing to render all possible assistance to our Country's efforts in maintaining that priceless freedom which is our natural heritage.

THE BANK OF TORONTO

Eighty-fifth Annual General Report

30th November, 1940

PROFIT AND LOSS ACCOUNT

Profits for the year ending 30th November, 1940, after providing \$150,000.00 for Staff Pension Fund, \$566,530.24 for Dominion and Provincial Taxes and making appropriations to contingent accounts out of which accounts full provision for bad and doubtful debts has been made	\$1,294,549.88
Written off Bank Premises	250,000.00
	\$1,044,549.88
Dividends at the rate of 10% per annum on the par value (\$100.) of the shares. (This represents a disbursement of 3.33% on the shareholders' funds consisting of capital, rest and profit and loss account)	600,000.00
Balance of Profits carried forward	444,549.88
Profit and Loss Balance 30th November, 1939	2,529,694.02
Profit and Loss Balance 30th November, 1940	\$2,974,243.90

EIGHTY-FIFTH ANNUAL BALANCE SHEET

30th November, 1940

LIABILITIES

Notes in Circulation	\$ 3,427,259.00
Deposits by and balances due to Dominion Government	\$ 3,817,311.53
Deposits by and balances due to Provincial Governments	1,623,030.97
Deposits by the public not bearing interest	45,820,659.40
Deposits by the public bearing interest, including interest accrued to date of statement	89,482,208.68
	140,743,210.58
Deposits by and balances due to other chartered banks in Canada	154,987.09
Deposits by and balances due to banks and banking correspondents in the United Kingdom and Foreign Countries	1,269,411.37
	1,424,398.46
Acceptances and Letters of Credit outstanding	1,761,343.28
	147,356,211.32
Capital paid up	6,000,000.00
Rest	9,000,000.00
Dividends declared and unpaid	150,522.39
Balance of profits as per Profit and Loss Account	2,974,243.90
	18,124,766.29
	\$165,480,977.61

ASSETS

Subsidiary coin held in Canada	\$ 243,642.27
Notes of Bank of Canada	3,633,858.00
Deposits with Bank of Canada	13,017,779.54
Notes of other chartered banks	119,150.00
Government and bank notes other than Canadian	39,364.52
Cheques on other banks	6,691,992.24
Due by banks and banking correspondents elsewhere than in Canada	2,676,572.74
	\$ 26,422,359.31
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	24,796,269.99
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value	44,256,524.90
Canadian Municipal Securities, not exceeding market value	5,138,860.23
Other Bonds, Debentures and Stocks, not exceeding market value	3,791,636.00
	77,983,291.12
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	1,232,005.00
	79,215,296.12
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for	50,775,854.67
Loans to cities, towns, municipalities and school districts	3,799,790.91
Non-Current Loans, estimated loss provided for	65,216.84
	54,640,862.42
	160,278,517.85
Liabilities of Customers under acceptances and Letters of Credit, as per contra	1,761,343.28
Mortgages on Real Estate sold by the Bank	13,559.88
Bank Premises, at not more than cost, less amounts written off	3,240,150.20
Deposit with the Minister of Finance for the security of the note circulation	187,406.40
	\$165,480,977.61

JOHN R. LAMB,
President

F. H. MARSH,
General Manager

AUDITORS' REPORT TO THE SHAREHOLDERS

TO THE SHAREHOLDERS OF THE BANK OF TORONTO:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and report that the above statement of liabilities and assets as at the 30th November, 1940, is in accordance therewith, and in our opinion discloses the true condition of the Bank. We have verified the cash and the securities representing the Bank's investments held at the Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at certain of the important branches. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

G. T. CLARKSON, F.C.A.,
of Clarkson, Gordon, Dilworth & Nash
W. D. GLENDINNING, F.C.A.,
of Glendinning, Gray & Roberts

TORONTO, 20th December, 1940

NATIONAL AFFAIRS

For Free Men Only

BY POLITICUS

Since this article was written the Hon. Harry Nixon has announced in an interview that the Ontario Government has no intention of reducing the provincial grant to Toronto University on account of anything that may be done by the Governors in relation to the staff.

ON JANUARY 2 a committee of the Board of Governors of the University of Toronto had a talk with Professor Frank Underhill of the history staff and presented this proposal: resign or be fired. No reasons were given except the vague excuse of "public opinion." One week was allowed for the historian to make up his mind, until January 9. He refused to resign.

On January 7 a committee of 20 full professors headed by the Dean of the Faculty of Arts, Dr. Samuel Beatty, waited on Canon H. J. Cody, the president of the University, and presented the case for academic freedom.

On January 9, the Governors took no action and Dr. Bruce Macdonald, chairman of the Board, told the press, "The matter was not dealt with. And I can assure you, speaking for myself, that if, as and when the President and the Board of Governors see fit to deal with the question, they will not be influenced by outside interests."

The University Act, R.S.O. 1937, section 31 (b) in part is: "... and no Dean of faculty or member of the teaching staff of the University or of any faculty thereof, or of University College shall be promoted, and no principal of University College or Dean of a faculty or member of such teaching staff shall be removed from office except upon the recommendation of the President of the University."

The University Act as it stands at present is based on the old Act of 1906, 6 Edward VII, chapter 55. That was virtually the charter of the University of Toronto enacted after a Royal Commission investigation and report. The two surviving members of that Royal Commission are Dr. Cody and Dr. Macdonald.

In discussing the 1906 Bill in the Ontario Legislature Sir James Whitney, who had become Premier on February 8 of the previous year to end the Ross Administration and the almost 40 years of continued Liberal rule in the province, said the purpose of the Bill was to take the University out of the political arena. The *Toronto Globe* of that time carried the essentials of his speech. It fits the conditions today exactly.

Personalities

Dr. Cody is now 72 years of age. He has had a most fruitful life in the Church, in education, in public affairs. He himself is a graduate of Toronto. He has honorary degrees from the University of Glasgow, Brown University as well as from Toronto, Queen's, Manitoba, Wycliffe, Trinity, Emmanuel, King's, Knox, McGill, Western, Alberta, McMaster. He has been minister of education in Ontario. He has been a member of the Board of Governors of his alma mater since 1917. He took orders in the Church of England in 1893. He was one of the founders of Ridley College as well as Haverhill College. He gave the most valuable service to St. Paul's Church, Bloor Street, Toronto, of which he was rector for many years.

Professor Frank Underhill is no tin horn demagogue interested only in seeing that his friends are well looked after. His career has been one of able scholarship and service to his country. Underhill is now 51. He was born in Stouffville, Ontario. He entered the University of Toronto on a Prince of Wales Scholarship. He graduated with first class honors in classics and English and history. He went to Oxford on a Flavell Fellowship for two years, attending

Balliol. He had a most brilliant career there. He returned to Canada as Professor of History at the University of Saskatchewan in 1914.

In September 1915 Underhill enlisted as a private in the 4th University Company, Toronto. In November of the same year he was sent to England for training. There he learned soldiering until the Summer of '16 when he was gazetted a second lieutenant in the Hertfordshire Regiment and served on garrison duty in northern England. In 1917 he went to France with the first battalion of the Hertfordshire Regiment. At the Somme he was in the front line until March 22, 1918 when he was wounded through the right leg by a bullet, that second day of the big German push.

Onus on Governors

But the onus lies on the Board of Governors. And every friend of the University and every friend of any of the Governors ought to tell them just what they think of this unbelievable sign of softness of the spine. Here are their names so that their friends may recognize them.

Dr. H. B. Anderson, the Hon. H. A. Bruce, C. F. W. Burns, the Rt. Hon. Sir Lyman Duff, the Hon. G. Howard Ferguson, J. J. Gibson, the Hon. H. T. Kelly, Leighton McCarthy, C. George McCullagh, R. O. McCulloch, Thomas E. McDonnell, the Hon. Vincent Massey, Balmer Neilly, F. Gordon Osler, Alfred Rogers, the Hon. H. E. Rose, George H. Ross, Fred Morrow, R. A. Bryce, James Duncan, J. M. Young.

Have the Governors ever really considered before whom they are bowing if they fire Professor Underhill?

True, some of Frank Underhill's ideas give a lot of people a pain. They give Politicus the pip. So what? Underhill has always been anti-Fascist and anti-Nazi and has never had any use for the Communists. He is merely a democrat.

Compare that with the record of Mitch Hepburn. Here is a man who now prates of love of Empire!

Mitch is the man who bitterly attacked Britain for not paying its war debts—Underhill didn't.

Mitch is the man who at Stratford in 1933, before he was in office, on the strike organized by the Workers Unity League, a Communist front body, said that the workers were not marching behind a red flag of communism, but the flag of red blooded Canadians—Underhill didn't.

Mitch is the man who in Hamilton told the citizens he swung well to the left, and then double-crossed the workers when they elected him—Underhill didn't.

Mitch is the man, who drunk with power just after his first Ontario election victory insulted the King's representative in Ontario and said if the Lieutenant-Governor were a gentleman he would resign at once—Underhill didn't.

Mitch is the man who as recently as the fall of '37, one year before Munich and two years before the outbreak of war, closed Chorley Park and said it was a haven for broken down English aristocrats who should be paying their hotel bills—Underhill didn't.

Mitch is the man who up to the last minute supported his pal Duplessis and even refused to break their political axis when Maurice fought an election after the outbreak of war on what was virtually no active aid to Britain—Underhill didn't.

Mitch was the man who played with Duplessis for years knowing full well he was as tight as a kid glove on your hand to Adrian Arcand—Underhill didn't.

Mitch was the man who appeared before officials at Ottawa to get his bosom companion and aide Jim Franceschini out of internment camp—Underhill didn't.

THE MUTUAL LIFE

Assurance Company
OF CANADA

Established 1869

71st Year of Public Service Year 1940

Surplus Earned in 1940.....	\$ 4,603,568
All for Policyholders	
Total Payments in 1940 to Policyholders and Beneficiaries.....	\$ 18,058,822
New Assurances Paid for in 1940.....	\$ 45,615,065
Excluding Annuities and Revivals	
Total Assurances in Force at End of Year....	\$586,019,392
Total Assets at End of Year.....	\$196,605,418

Combined Profit and Loss and Surplus Account Revenue Basis

For the Year Ending December 31, 1940
Including Group Accident and Sickness Branch

SURPLUS FUNDS at December 31, 1939, consisting of:

General Investment Reserve.....	\$ 2,500,000.00
Free Surplus for Contingencies.....	6,317,498.49
	\$ 8,817,498.49

INCOME

Premiums for Assurance.....	\$16,995,103.92
Consideration for Annuities.....	1,000,864.61
Interest, Dividends and Rents after provision for possible future losses.....	8,420,368.33
Consideration for Settlement Annuities arising out of assurance policies.....	532,124.17
Policy Proceeds, Dividends and Other Amounts left with the Company.....	4,027,907.03
Net Profit on sale of Ledger Assets, and Foreign Exchange...	101,923.84
	\$31,078,291.90

EXPENDITURES

Under Policy Contracts:	
Death and Disability Claims.....	\$ 4,443,110.11
Matured Endowments and Surrender Values.....	6,940,517.92
Annuities.....	488,759.63
Policy Proceeds, Dividends and Other Amounts with- drawn.....	2,818,168.46
	\$14,690,556.12

Taxes and Licenses.....	396,197.64
General Expenses.....	3,121,289.39
Amount written off Home Office Premises.....	50,000.00
R.E., S.A. and Mortgages written down.....	509,907.89
	\$18,767,951.04

RESERVES

Increase in Actuarial Reserves and Amounts left with the Company.....	7,706,772.41
	\$26,474,723.45

SURPLUS EARNINGS FOR YEAR.....\$ 4,603,568.45

SPECIAL CHARGES:

Increase in Specific Reserves for Depreciation in Value of Investments.....	366,116.19
Transferred to Staff Pension Fund.....	228,224.00
	\$ 594,340.19

NET AMOUNT TRANSFERRED TO SURPLUS FUNDS.....\$ 4,009,228.26

Deduct:

Surplus Paid or Allotted to Policyholders.....	3,368,266.32
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SURPLUS FUNDS at December 31, 1940, consisting of:

General Investment Reserve.....	\$ 2,500,000.00
Free Surplus for Contingencies.....	6,958,460.43
	\$ 9,458,460.43

The 71st Annual Meeting of the Policyholders will be held
on Thursday, February 6th, at 1.00 p.m. Standard Time
at the Head Office, Waterloo, Ont.

R. O. McCULLOCH, President

W. H. SOMERVILLE, General Manager

Chaos in America

BY GOLDWIN GREGORY

For Britain and the democratic world, everything may depend on the speed with which America gets effective aid to Britain.

Yet, despite the vigor of Mr. Roosevelt's proposals, the fact remains that not only is United States war production far behind schedule but there is also an alarming confusion of thought as to what should be done. Public thinking is muddled by conflicting propagandist movements.

Mr. Gregory thinks that Canada, which has determined to subordinate all else to winning the war, may be able to communicate some of that decision and singleness of purpose to the United States.

IT IS a refreshing change to arrive in Canada from New York. Refreshing to emerge from an atmosphere where gloom, doubt, suspicion, distrust, uncertainty were playing hide and seek with each other, and to discover that in Canada, even under the cloud of war, there was decision and a singleness of purpose. How sad a reflection it is that as between these two countries, whose interests in the face of Hitler are identical, the one should be calm and serene and the other the victim of a confusion twice confounded! How account for it?

As for Canada, the explanation is simple. She has been at war from the beginning, is determined to win that war, and has subordinated all else to gaining that victory. The Canadians are a united people.

So, for that matter, are the Americans, to a very great extent. They are now united, in a way in which they were not united two months ago, in a profound belief that Hitler is their enemy. They are now almost a unit in asserting that Britain is fighting America's battle. With a negligible number of dissenters, they now say that aid must be given to Britain. Most particularly are they united in their determination that America must arm to the hilt, and be prepared to meet the totalitarian menace.

Paradoxically, it is out of this very unity that the confusion and the turmoil arise.

In the famous speech written by Lord Lothian on his deathbed it was admitted that on the support of the United States depended the cause of Britain. On that same occasion he spoke of the ever-increasing support that was being given by Canada. Canada's material effort is in great measure dependent on conditions in the United States, for thence must come essential components of the Canadian industrial machine. It is well that Canadians should realize this dependence, and inform themselves of the shifting American scene that they may adjust themselves thereto. Perhaps they may even help the Americans to resolve their doubts, help in a positive way as well as by example for Americans would today welcome rather than resent the friendly assistance of

neighbors whom they hold in as high regard as they do Canadians. From no other country would they take what they would from Canadians; Canadians are in the same boat, they feel (and, in their hearts, know).

To begin with, the defence program on which the country so hastily and hopefully embarked when America's peril first became apparent in June has bogged down. Not only is it far behind schedule; it is falling farther behind daily. On the orderly performance of this program even the isolationists had based, during the election campaign, the assurances of American immunity that they so freely gave today, faced by the grave deficiencies in the national defence, they are hoist on their own petard and forced to admit dependence on Britain. This may, or may not, be Britain's gain eventually, for doubtless it would make passage in Congress easier of enactments repealing legislation which now hampers the fullest aid to Britain. Yet the issue in this respect is beclouded rather than cleared by Mr. Roosevelt's recent suggestion that arms and materials be loaned rather than sold to Britain, for unfriendly influences have not been slow to commence an agitation against taking the dollar sign out of such aid as may be given.

Recriminations

Naturally the new feeling of insecurity has bred a lot of recriminations. Most of the blame falls on the Administration, for the President is the only one in authority who seems not to have tried to blame some one else. But the manufacturers, for instance, are certainly not blameless. Production is in their hands, and production lags. They have been unwilling to convert to defence purposes that part of their facilities requisite for their normal business. It was a manufacturer, though, and the greatest of them, W. S. Knudsen, head of General Motors and now serving for one dollar a year at Washington who pleaded with them at their annual convention to recognize the "terrible urgency" and asked them if it were not "possible to put the defence job on



President Ismet Inonu of Turkey, left, with Marshal Fevzi Cakmak. As Germany threatens Bulgaria, Turkey gives assurances that she will fight if Bulgaria is invaded. Responsible official Turkish quarters have commented on the United States' attitude toward England in sending all the military supplies possible: "It will ensure a British victory."

war basis even if we are at peace?" Mr. Knudsen had a word for Labor too: "Friday night has become the big night in most of our industrial picture. It used to be Saturday night—we have cut 20 per cent off our machine time. Can we afford to do this? Can't we stop this black-out, this lack of production from Friday to Monday?" For in most large industries the five-day week, recently gained, prevails despite the emergency because the Labor heads—not the laborers—refuse even temporarily to yield an inch.

Too Many Movements

But if the "defence program" is tentatively confused, it is crystal clear compared with the general confusion of thought among those who should be leaders of public thought. Let us turn to the propaganda front. It is only here that we shall find organization, and that apparently a leaderless and undirected or-

ganization—unless led by a cunning so diabolic that we haven't yet considered even Hitler capable.

The organizer is probably that crusading spirit which urges so many people, nearly always with good intentions, to start a "movement." Such movements have, in these days, been springing up in such multiplicity for this or that purpose connected with the war. It may assume large proportions, such as William Allen White's "Committee to Defend America by Aiding the Allies" or Clarence Streit's for "Union Now," both really great influences for Britain's good, or the "America First Committee," which is appealing or defeatist in character yet nonetheless honest in motive. These are merely examples; there are many other sizeable movements. The point is that they work at cross-purposes and, by reason of the prominence of those who lend their names, confuse the public mind.

These movements cut across party

lines. They sow their seed by diverse means. For instance, you may find in the *New York Times* one morning a full-page advertisement (cost \$2500) of the America First Committee proclaiming (i) Germany cannot invade America even if Britain falls; (ii) the United States can and will do business with the Nazis if necessary; (iii) if the United States gives more aid to Britain we will be sure to get in the war; (iv) therefore, while we want Britain to win, confine our aid to what we are now giving. Or again, you may find yourself listening to the radio program of an organization which urges the giving of more aid but only on condition that it be paid for in full. Then, tuning out the broadcast, you turn to your window and see on a nearby hoarding a huge poster telling you something else again.

Average Americans

Now, if you are an average American, you feel pretty sick and confused about all this. Your eyes turn to Washington to see what they're doing about it there, and you think you're seeing double at the sight which confronts you. It doesn't matter whether you supported Roosevelt or Willkie in November; Roosevelt's

(primarily because to save Britain is to save America), and British women and children, and men too. He is ready to go to war if necessary. If he disapproves of Mr. Roosevelt's leadership in the direction of aid to Britain, it is because Mr. Roosevelt hasn't gone far enough. If the new Congress doesn't stand behind the President, he is going to make himself felt. His will be a small voice at first, crying as if in the wilderness, for it will not be an organized demand that will be made on Congress. But the low muttering of the individual will become the mumble of the group, and as the group grows a buzzing, as of hiving bees, will give warning that some one may be stung. If the warning be not heeded, the herding instinct will not be denied, and further pussyfooting in Congress might have unfortunate consequences.

The foregoing was written before President Roosevelt had delivered either of his recent addresses. There is no indication that those talks have been successful, as yet, in dissipating the gloom.

President Roosevelt has uttered encouraging and helpful words, but he has done no more than to express the hopes and wishes of the great majority of his fellow-countrymen.

In the field of action the effect of those words has still to be felt; it is doubtful if they have succeeded in altering a single vote in Congress. Ultimately, of course, the people will have their way, but the question now is whether they will prevail before it is too late. An isolationist group in the Senate, comparable to President Wilson's "little group of willful men," will conduct under the antiquated rules of that body a filibuster which will sorely try the public patience. Legislation will be enacted by the House of Representatives only to be returned, emasculated by compromise, from the senior house.

If the times were not so tragic it would be an educational experience to watch the drama that is about to be unfolded on the American legislative stage. Canadians, if they are to be cast only in the role of passive spectators, must hold their breath and pray for a happy denouement. It may be, though, that there is an active part for them to play; perhaps, in some way, they can convey to those few American isolationists the implications to all Americans that arise from the fact that Canada, the country with whom they have most in common, is at war.

We took a long term lease
the moment we saw those
Copper Eavestroughs!

FLOODED ORCHARD

MULTIPLIED in reflection,
Much brighter, and so
Seeming a hundred times more many
Than the fruits which hang in summer,
Are the stars that deck the brown limbs.

Lightly borne on lissom wands
Or resting in lichened niche,
No shadow, no memory of lost fruit
or petals
Dims the lovely moment.

Yet force and bud and birth are here,
Not a mere beauty.
Night and flodden field
Cannot hide March.

UNDA WOOD.

your President and it's up to him. Yes, but see how he's hamstrung. He hasn't got the power to do anything, and can't till the new Congress meets.

No, it isn't a pretty picture in the United States these days. But this average American is not quite as sick as he thinks. He is sound at heart. And he and his fellows are the loudest voice in the land when they make up their collective mind about something. Pretty soon they are likely to do some stentorian shouting. It seems to this observer that it will come about in this way:

The unvociferous American is sold on the idea of beating Hitler, and he doesn't care how it is done nor at what cost to him in money or other sacrifice. He wants to save Britain



VITAL

TO EXPANDING PRODUCTION

Figures of control become essential even before the first shovelful of earth is turned.

As the project starts, time must be recorded, earnings calculated, payrolls prepared, and cost statistics kept. As the work progresses, other vital records affecting orders, materials, production and shipments become necessary.

There must be no delays—no clerical inaccuracies that waste precious minutes.

Industry has always relied upon Burroughs to meet expanding production and changing conditions with efficient machinery of control.

Today every type of accounting and statistical work is being handled on newer, more modern Burroughs machines in less time, with less effort, at less cost.

BURROUGHS ADDING MACHINE OF CANADA, LIMITED
Factory at Windsor, Ontario

Today's
Burroughs

DOES THE WORK IN LESS TIME • WITH LESS EFFORT • AT LESS COST

WE WANTED comfort in the home we rented... and freedom from inconvenience. That's why those copper eavestroughs impressed us. We knew that a rain disposal system of rustless copper meant that we would never be troubled by roof leaks caused by rusted eavestroughs or flashings. And we reasoned that any builder with the foresight to use copper for the eavestroughs, had built the whole house the same way... to give enduring satisfaction.

When you rent a home be sure to look for these signs of lasting comfort: Look for a rustless copper rain disposal system; rustless plumbing of copper or brass; an Everdur non-rust hot water tank; and screens of durable bronze. In any house or apartment these rustless metals are sure signs of better living, better value for your rental dollar.

Send for our Free booklet, "Copper, Brass and Bronze Throughout Your Home." Use it as a guide whether you are renting a house or an apartment. Especially, if you are building your own home, follow its counsel. Let it help you build a better, more economical home to live in.



Anaconda Copper



Because military exigencies have interrupted England's train service, passengers find it convenient to use these special booths which have been set up in most of the railway stations.

This might happen to you!



Wives only--

A home is built in years—not days. Gradually, you've added to your precious possessions—beautiful furniture, rugs, paintings, jewels, furs, china and silverware. Will the struggle and savings of a life be wiped out in an hour's blaze? Not if your home and its contents are fully protected by fire insurance!



Husbands only--

Twenty years to build—twenty minutes to burn! There, written in letters of fire, is the tragic story of thousands of homes! Surely a husband's duty is to protect his wife, his children, himself against such loss—to make certain that if fire strikes, reimbursement will be prompt and complete.

Get together with the GORE AGENT

Remember this about fire insurance—printed policy conditions, by government regulation, are alike. The *Compacts* which issue them are different—in history, management, and financial strength. Look for the name GORE MUTUAL on your policy—do not be satisfied until you see it. You would not take a promissory note from a stranger—why accept a promise to pay from a fire insurance company unknown to you?

The GORE is a mutual company, of

50,000 Canadian property-holders. Its ratio of assets to liabilities—8 to 1—is the greatest of any Canadian fire insurance company. In 100 years, the GORE has never failed to meet a legitimate claim.

Your local GORE agent is an experienced business man, well able to advise you soundly. Let him show you how reasonable are GORE rates—how little it costs to give full protection to your treasured house and its contents.

Fire • Automobile • Personal Property Floater • Plate Glass • Windstorm



GORE DISTRICT MUTUAL FIRE INSURANCE CO.

GALT, ONTARIO

GOLD AND DROSS

Your money is important. That is why each week in "Gold and Dross" we tell you what and what not to invest it in. And we try to do it as sagaciously and as expertly as possible. This requires patient and painstaking investigation and careful judgment, but the sound reputation of "Gold and Dross" built up over a number of years—more than we care to remember—has justified our effort and been our reward.—The Publishers.

SATURDAY NIGHT, The Canadian Weekly

THE BOOKSHELF

CONDUCTED BY ROBERTSON DAVIES

Quick Watson, The Spasm-Root!

THE GIANT JOSHUA, by Maurine Whipple. Thomas Allen. \$3.00.

THIS novel, which was written on a Houghton-Mifflin Literary Fellowship grant, is the story of Clorinda MacIntyre, the youngest of the three wives of Abijah MacIntyre, a Mormon with rather unconvincing Scots speech who went on the Dixie Mission of the 1860's. The object of the Mission was to spread the Kingdom of God on earth as it was revealed to the prophet Joseph Smith, and to raise cotton for Brigham Young. The title arises from a comparison between the Mormon fanatics who wrested a living from the desert, and the Joshua tree which achieves the same remarkable feat.

This is Miss Whipple's first book, and in it she shows a great ability for marshalling and using historical information in an interesting way. After finishing the 633 pages of her novel the reader knows a great deal about the Mormons, and whatever he may feel about their religious convictions he must be filled with respect for the way in which they made those convictions work; by behaving

as if they were the chosen of God they achieved much that would have been impossible without that amiable delusion. Miss Whipple appears to be of Mormon descent herself and has shown the Latter-Day Saints in a becoming light. She writes with emotion, rather than with passion, and inclines to luridness in her narrative and in her style, but she has a good story to tell and she tells it well. Without comparing the two books more closely, I think that anyone who liked *Gone With The Wind* will like *The Joshua Tree*. This remark will convey much to all kinds of people.

Miss Whipple has given us Mormonism from a woman's point of view, and as might be expected among the polygamous prophets, that view is much influenced by matters of procreation. The literary reviewer who identifies himself with the chief characters in most modern novels finds that he has to attend or suffer at least one childbed, but in *The Joshua Tree* the orgy of self-continuance is positively phoenix-like. There are more of these Mor-

mon "birthings" than I have ever encountered before in a single novel. Nor is Miss Whipple content with normal births; absorbed in her story, one is brought to bed in covered wagons, suffers miscarriages, still-births, and a variety of other obstetrical misfortunes too complex to be defined. It is all very disturbing to the male reader; I had to resort to frequent draughts of lobelia and spasm-root tea in order to bear up under the calls on my emotional system.

Frankly, I think Miss Whipple has said enough about childbirth to suffice me for some time. I believe that literature may fittingly treat of anything which arises in the telling of a story, in fullest detail. But Miss Whipple, though she has written a very good first novel, is not a literary artist, and will never be one until she learns that a very little may often be quite enough; her obstetrical and gynecological details come too thick and fast to be useful to her book as a whole. I now want to read a book by a novelist who believes that story about the stork.

Testament for Poets From W. B. Yeats

LETTERS ON POETRY, from W. B. Yeats to Dorothy Wellesley. Oxford. \$2.75.

THESE letters are balm to the soul; they reflect better than anything I have read since the war began the kind of civilization which we seek to defend. They are, in effect, a conversation, carried on by an old and great poet and a much younger woman who may one day be regarded as a great poet, during the years 1935 to 1938. The conversation is perfect in its intimacy and humanity. This is one of those rare books in which the reader takes a prominent part; perusing these pages he shares the friendship and counsel and love of Yeats and Dorothy Wellesley until, when the book is finished, he is indefinitely richer, but without a word to say. All has been said.

Because this is so, there can be no criticism of this book, but only reflections upon it. Here is a series of letters, written without reservations, for the eyes of one reader alone, and praise or blame of it would seem impertinent and intrusive. Admittedly, Dorothy Wellesley has permitted the publication of the letters, but the bloom of intimacy is still on them. They are still letters, and not a 'correspondence'.

Yeats in old age is to be seen clearly in these pages. Dorothy Wellesley tells us that he spoke like Zeus, and we see that in spite of his staid and scholarly appearance he was a fiery and incalculable man, desperately stubborn and impossible to control. We read with amazement of his preoccupation with astrology and Indian philosophy, and of his labors with Shri Purohit Swami on a translation of the *Upanishads*. We are delighted with his poetic judgments, particularly by his dictum that "passive suffering is not a subject for poetry"; how glorious, in this age when verse is so often made the pack-horse for petty political ideologies, to hear a poet pronounce upon what is and what is not a fit matter for poetry! How the heart leaps up when he dismisses T. S. Eliot as "a symptom of a sick and melancholy age." These, and a hundred other judgments in these pages, are the words of a great poet and a live man, who was not afraid to have opinions and to express them. But, as Yeats himself said, "the more one is alive the more one is attacked," and he was attacked often and bitterly during the period gladdened by this friendship which was so nearly akin to love.

It must often seem that artists live entirely on praise, and unqualified praise for preference. Both the poets who wrote these letters had short

patience with critics. Anyone who did not like their work was a fool, and probably malignant as well. Yeats, as the older poet, was more used to criticism. Lady Dorothy could not bear it, and said so with some force. To be quite frank, we all detest criticism of ourselves, and a poet's work is very much a part of himself.

The degree of self-revelation achieved in this book is astonishing, and while reading it I could not rid myself of a feeling of being a privileged listener at a meeting of my

betters. Sometimes the subtlety of the talk is over the heads of ordinary folk, and sometimes it sounds like mere cheese-paring, but most of the time it is a clear flow of distinguished and deeply cultivated thought and feeling. When I had finished the book my copy was marked and scored from beginning to end with pencil notes and cross-references; I would not part with it now for a *de luxe* edition of any other poet of this century. All lovers of poetry must have this book; it will prove a very testament to them.

Plain Jane, Please

JANE FAIRFAX, by Naomi Royde-Smith. Macmillan. \$2.75.

IT IS DIFFICULT to review this book fairly, for although the author has succeeded in accomplishing with tolerable success something which is seldom, if ever, done well, the result is irritating.

Miss Royde-Smith has decided that the most interesting character in Jane Austen's *Emma* is not the heroine, but the secretive Jane Fairfax, and so she has written the early history of that young lady in such a way as to explain (to Miss Royde-Smith's satisfaction) her subsequent behavior. The means which she has used in doing so are best expressed in her own words: "The characters and the plot of this novel are taken from fiction, although occasional reference is made to distinguished persons who were alive at the end of the eighteenth and the beginning of the nineteenth centuries. I have to thank the shades of Miss Austen, Miss Burney, Miss Edgeworth, Mrs. Sherwood and Mr. W. M. Thackeray for the very great pleasure it has been to continue a lifelong acquaintance with so many of their most interesting creations."

It is in this affectedly elegant, not to say niminy-piminy spirit that *Jane Fairfax* is conceived and executed. The style of the novel is an imitation of Jane Austen, but Miss Royde-Smith has the outward trappings of that style only, and lacks the satiric mind which lay behind it. As a story, told blandly and through such old-fashioned devices as letters, it is tolerable and some readers may even like it. I did not.

As well as the Austen characters and a few from the less familiar authors she mentions Miss Royde-Smith gives us a picture of Johnson House with the Misses Pinkerton in charge, and with Becky Sharp and her father, the drawing-master, in

attendance. To me this was the most nauseous draught of the novel. Becky Sharp is Thackeray's and should be left in his pages. Why cannot Miss Royde-Smith make her own people, instead of messing about with those of authors whose genius is to hers as the radiance of the sun is to the phosphorescent dial of a cheap alarm-clock?

One angry word more. Why call Jane Austen *Miss Austen*? When authors are alive we call them Mr. and Miss from courtesy, unless they are of first-rate talent and above such trivialities. But when an author is as long dead as Jane Austen we have either forgotten her or we are on first name terms with her. Like Charles Lamb, Jane Austen was a person of powerful intellect, keen perception, and guts; like Charles Lamb she has, by the elegance of her style, attracted many weak-minded admirers who value her for that alone, and take her good manners as a sign of weakness. It is these people who lallygag over Lamb and Jane Austen until decent folk hardly dare own to their admiration for those great ones. It was this spirit of foolish and uncritical admiration which gave rise to *Jane Fairfax*; what Jane Austen would have said about it, without borrowing from the raffish vocabulary of William Makepeace Thackeray, we cannot imagine.

Macmillan's are to be congratulated on having made available in Canada Havelock Ellis' *Studies In the Psychology of Sex* at the reasonable price of \$9.00 for the two-volume edition. This work, formerly to be had only in very expensive editions, may now take its place on the shelves of clergymen, doctors, teachers and others whose professions demand a sympathetic understanding of man and kind.

THE BOOKSHELF

Burnsiana

BY HECTOR CHARLESWORTH

THE MAN ROBERT BURNS. By Grant F. O. Smith. Ryerson Press. 65c.

SO HAPPENED that this volume came to my hand just after I had been scanning the fourteen short lyrics by Burns which appear in "The Oxford Book of English Verse." The poet's ability to set down, artlessly, lines so arresting and haunting that they cannot be forgotten, has a direct analogy with certain musical airs, that can never be forgotten. If Burns had left only the single lyric "Ae fond kiss, and then we sever," he would nevertheless have left an indelible suggestion of genius; and he wrote many others that touch the emotions in the same mysterious way.

In one section of this volume Mr. Grant Smith has collected a vast number of tributes to Burns by distinguished men, and the best seems to be contained in certain lines by Oliver Wendell Holmes. He spoke of Burns as "the lark in Scotia's morning sky," who

"Left his land her sweetest song
And Earth her saddest story."

There is abundant evidence in this collection of "Burnsiana" that while for others he may be primarily an inspired singer, for Scotsmen he is much more;—the voice of a rugged native philosophy, which typifies national character. It is in this light the author of "The Man Robert Burns" views the poet. Mr. Grant Smith is a citizen of Toronto and this collection of material relating to Burns was begun by his father in Scotland. The book well justifies the introductory assertion of Dr. H. B. Anderson, of Toronto, that in the compass of a single volume, an un-

precedented amount of relevant material about Burns has been assembled. No doubt the book, which represents the work of many years, will have a circulation wherever the world over, Scotsmen assemble to honor St. Andrew's night. William Michael Rossetti truly said that for one Englishman who knows his Shakespeare, there are ten Scotsmen who know their Burns; and in an Empire on which the sun never sets there are Burns enthusiasts, everywhere.

These pages set forth, almost everything worth knowing about the poet's life, lineage, and descendants, some of whom live in Canada. I was unaware until I found it in these pages that Burns had at the age of 28, nine years before his untimely death, written his own autobiography, from childhood to the day when with his box packed to become an emigrant to Jamaica he found his literary genius suddenly recognized. There are other contemporary narratives, and the many illustrations are fascinating. Burns was assuredly one of the handsomest and most charming lads who ever lived.

Of 150 or more "Tributes" the most brilliant and the lengthiest is that of Lord Roseberry. The angles of appreciation presented are immensely varied, and most singular is that of Alphonse Daudet who said that Burns had lived 100 years too soon, a very doubtful conclusion. Would Burns have found in the Scotland of the 1880's so swift a recognition as in the 1780's? Would his verses have possessed their pristine freshness and simplicity had Burns lived in a later age?

Mr. Grant Smith takes pride in the fact that this book dissipates the superstition that Burns was illiterate. In the Ayrshire of his day good books were accessible to the poorest lover of them, and from childhood the poet was a great reader. Burns enthusiasts are themselves mainly responsible for the legend of illiteracy, because to some of them the fact that he was a ploughman seems as important as the truth that he was an inspired singer.

Adventure

MAID NO MORE. by Helen Simpson. McClelland and Stewart. \$3.00.

BY MARY DALE MUIR

A YOUNG, attractive farm maiden, Mary Askill, imbued with missionary fervor, sets out for the Barbados to convert the slaves. An Oxford don, John Conisby, who has fought with the Cavaliers against Cromwell's Roundheads, sets out for the same destination in an attempt to restore his failing fortunes. Both book passage on the "Nonsuch" commanded by Master Bryant, who is to pick up a cargo of slaves at St. Jago in the Cape Verdes. There is a small list of passengers. The situation is fraught with possibilities. Helen Simpson seizes them all.

Human personalities clash and so do the natural elements. The slaves mutiny and the "Nonsuch" races against a West Indian hurricane. Mary Askill finds herself mistress of great powers of leadership but the reader is fully aware that her real leadership lies in her enthusiasm and her faith. Her brain is John Conisby, who is full of ideas but is too indifferent himself to put them into effect.

Helen Simpson is alive to all the dramatic possibilities. The "Nonsuch" gets beached on a Pacific Island with a large complement of slaves. How the hero and heroine live and lead their black mob makes good telling. If any criticism can be made of "Maid No More" it is that too many things happen. The story is so dramatic that it almost seems unnecessary to drive the "Nonsuch," with all souls aboard, out from its safe harbor to a watery grave even though it does create an intensely thrilling moment. Indeed, it seems at times as if the story has run away from the authoress and she is not quite certain of what to do with the situations she has created.

Gallimaufry

THE death of James Joyce has taken from us one of the greatest comic geniuses of all English Literature; he was the fellow of Chaucer, Shakespeare and Rabelais, and it will be a long time before we see such another.

It is curious that so few critics have stressed Joyce's greatness as a comedian; they have treated his work with a solemnity which must have amused him very much. But a comedian he undoubtedly was, and of the very first order; Joyce was no mere funny-man, but a great writer possessed of that wild delight in the vagaries of human nature, and that keen relish for the disparity between the power of the mind and the immensity of creation which is found only in comedians of genius. There was no comic manner of which he was not a master. Too often readers lose sight of his matter in their struggles with his manner; puns, obscure references and ellipses are the least of their troubles, but hidden in every obscurity lies not one, but several comments on life, some witty, some satirical, some joyous and Aristophanic. And what a delight to hear passages from *Ulysses* or *Finnegans Wake* read aloud by some judicious reader who bears in mind that Joyce was himself a fine singer and knew the ballads of Ireland as well as he knew the slum slang of Dublin! At present Joyce's voice can hardly be heard for the injudicious clamor of his admirers, many of whom are humorless persons, and his detractors, all of whom are humorless persons; but I venture to predict the coming of a day when his will rank among the greatest names in our literature.

THE Canadian Association for Adult Education is sponsoring a series of publications called The New Dominion Books, published by the Ryerson Press at prices varying from 30 cents to a dollar. The list of titles is varied and contains such widely different items as *Child Psychology For Parents* and *How To Arrange A Public Dinner*. The booklet which we have at hand is called *French-Canadian Backgrounds* and it is a symposium of addresses given from station CFRC in Kingston, under the aegis of Queen's University. The authors are Monseigneur Olivier Maurault, Father Henri Saint-Denis, Jean Bruchesi, Maurius

Barbeau and Senator Leon-Mercier Gouin. The material presented is interesting and the book will prove acceptable to anyone who is genuinely interested in fostering friendship between French and English Canada.

WE HAVE received a copy of "Rifle Training For War," a small handbook prepared by Captain Ernest H. Robinson for the use of Local Defence Volunteers. It is an excellent little book, which starts very sensibly with the idea that the reader does not know one end of a gun from the other, and teaches him everything he ought to know. It costs 35 cents.

Mr. Indigo Blue and Mr. Beamish Bright



MR. BRIGHT: A glorious morning, Mr. Blue! I feel as joyful as a skylark!
MR. BLUE: And I feel as sad as a crow. All I know is trouble.



MR. BRIGHT: Here! Here! my lugubrious friend. Cheer up! There's Springtime in the air! Come walk down to the grocer's with me.
MR. BLUE: It's not springtime inside of me, Mr. Bright. If you only knew how many pills, purgatives, salts, laxatives and cathartics I've taken, Life is just a vale of tears.



MR. BRIGHT: (at the grocer's) Here's a present for you, my woeful one, that may show you the silver lining. Instead of *daring* constipation why not try to get at its *cause*? If yours is the ordinary kind that's due to lack of the proper kind of "bulk" in the diet, crisp, toasty KELLLOGG'S ALL-BRAN may be just the ticket. Eat it every day, drink plenty of water, and watch the world grow brighter.

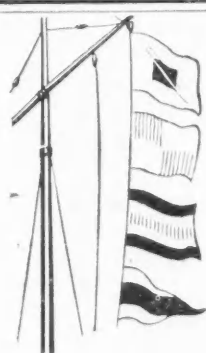


MR. BRIGHT: (sometime later) Well! Well! It isn't the old king of the glooms. Isn't that "Happy Days" I heard you playing?
MR. BLUE: And happy days it is, Beamish, since you told me about ALL-BRAN's better way.

Keep regular... Naturally
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Your grocer has All-Bran in two convenient size packages: restaurants serve the individual package. Made by Kellogg's in London, Canada.

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SUCCESS SIGNALS

GAIN IN FORCE

During the year 1940, new settled business was maintained at a satisfactory level. As a result, the Company added \$1,444,785 to the amount of ordinary business in force. This Total now stands at the highest point in Company history.

EXPENSE

During 1940, total expenses of operation were reduced for the fifth successive year.

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Earnings during the year were well maintained. These earnings were used to write down assets and to strengthen still further the security standing behind the Company's policy contracts.

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During the year, the total ledger assets of the Company increased to \$13,062,974.93. This is the highest total in Company history.

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WORLD OF WOMEN

The Flowers That Bloom Etc.

BY BERNICE COFFEY

IF YOU are one of those who believe that flowers deserve a very special place in the decor of the house or about the person, you ought to know something about Floral Decor, a shop which abounds with ideas for all sorts of floral treatments.

The proprietors, Thornton Brown and Harry Macdonald, are two young

men who have taken over a mansion in a downtown section of Toronto and remodelled it to their purpose with a great deal of wit as a background for their flowers. Both are former interior decorators and have spent part of their careers in New York, the latter with Constance Spry of floral fame.

Their special delight is whipping

up unusual center-pieces for the table. For instance, one they did recently at the behest of a dinner hostess was a decorative grouping consisting of brussels sprouts, dashed with gold paint and wired to fall over the edge like a grape cluster, broccoli, savoy and red cabbage, a bit of jack-pine. All these vegetables were mingled with yellow carnations, white mums with yellow centers, and heather. The whole was placed in a vegetable dish, and proved as much of a conversation piece as a center piece for the table.

Another of their clients' problems was an unused fireplace in a room of moderne decor. For this they got hold of two of those old apothecary jars of clear glass, tall and slender on round pedestals, without which no chemist shop used to be complete. The jars were filled with a colorful and decorative arrangement of waxed flowers, and morning glories in heavenly blue were festooned around the outside. The jars replaced the fireplace's andirons, giving the blank space new and colorful interest.

And on the walls of one of the rooms where clients are received are two unusual groupings that offer an excellent suggestion for what to do with a difficult wall space. Children's toy garden tools—a rake, a shovel, hoe—painted white and gold are fastened together in the manner of one of those old French "trophy" groups with a stylized "ribbon" of tin painted with gold. A toy dustpan holds a spray of white flowers. Before you are tempted to copy the idea we might add there is a rigid convention about the manner of arranging such trophy groups. Macdonald and Brown attempted theirs only after careful study of old French documents.

Among the rather unusual things they have to offer here are "shadow leaves"—real leaves which have been chemically treated to leave nothing but the delicate skeleton fibre. These are a lovely beige shade and have a lacy delicacy resembling that of some of the fan-shaped coral from the South Seas. The secret of this method of leaf treatment remains in Switzerland from which it has become almost impossible to receive additions to the present stock. In the meantime, Floral Decor philosophically combines shadow leaves and shiny painted magnolia leaves with so much effectiveness that one of their clients has ordered one of the arrangements shipped all the way to Nassau.

Floral earrings may mean nothing in your life. But those who have a passion for the unusual need only send a sample of the material of the

Nymark's Lodge, at the foot of hill "70" in St. Sauveur is a popular spot for ski enthusiasts. Bright dark blue wool gabardine makes this suit with a collarless jacket and embroidered animals under the pockets. A matching hood and mittens of woolknit in bright red, green and white, make lively accessories. From T. Eaton Co.

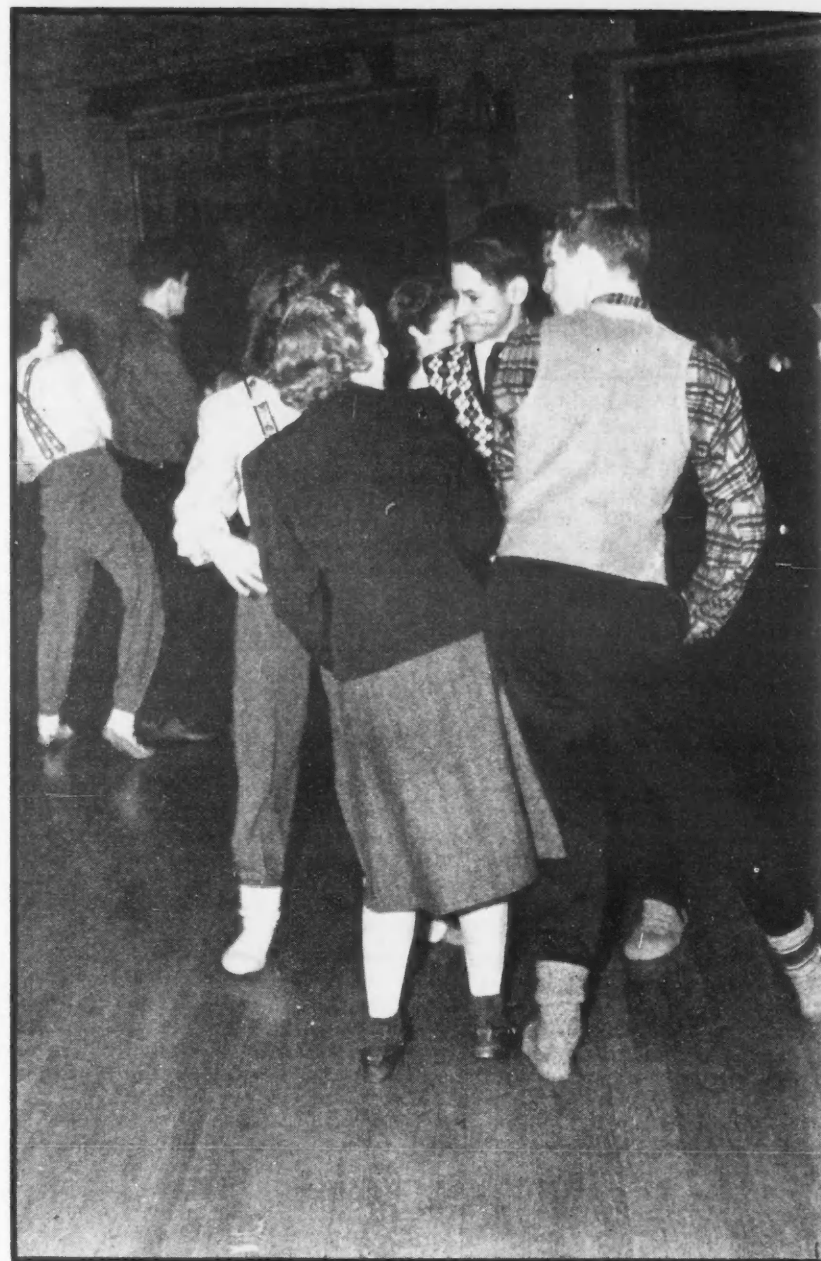
frock with which they are to be worn, to have their heart's desire gratified. The earrings are made of sweetheart roses with tips of heather curling over the ears, and in the small adaptable flowers such as forget-me-nots, lily of the valley. These are to be had in either real or, for greater permanency, waxed flowers.

While we were there a "cabbage" rose was being made. A cabbage rose, we had better explain, is a giant rose built up from the separate petals of many roses and wired into a rose the size of a tea plate. These, according to Floral Decor, are best in colors and look best on a woman not of small proportions. Sometimes, fastened on by ribbon, they are worn as hats by bridesmaids.

Canadian Originals

One of the unpredictable but pleasant results of the occupation of France and the restriction of imports from the United States, is the recognition being given to Canadian designers on whom Canadian women now rely for their claim to smartness.

Among these newly blazoned



"Booms-a daisy," as danced by members of the younger set in the Log Chateau of the Seignior Club after a day's sport during the holidays. Included are Miss Mary Porter, Mr. Jim Kenny, Mr. Phillip Lovell, Miss Margaret Porter, Miss Sheila Ryan and Miss Patricia Ryan, of Montreal.



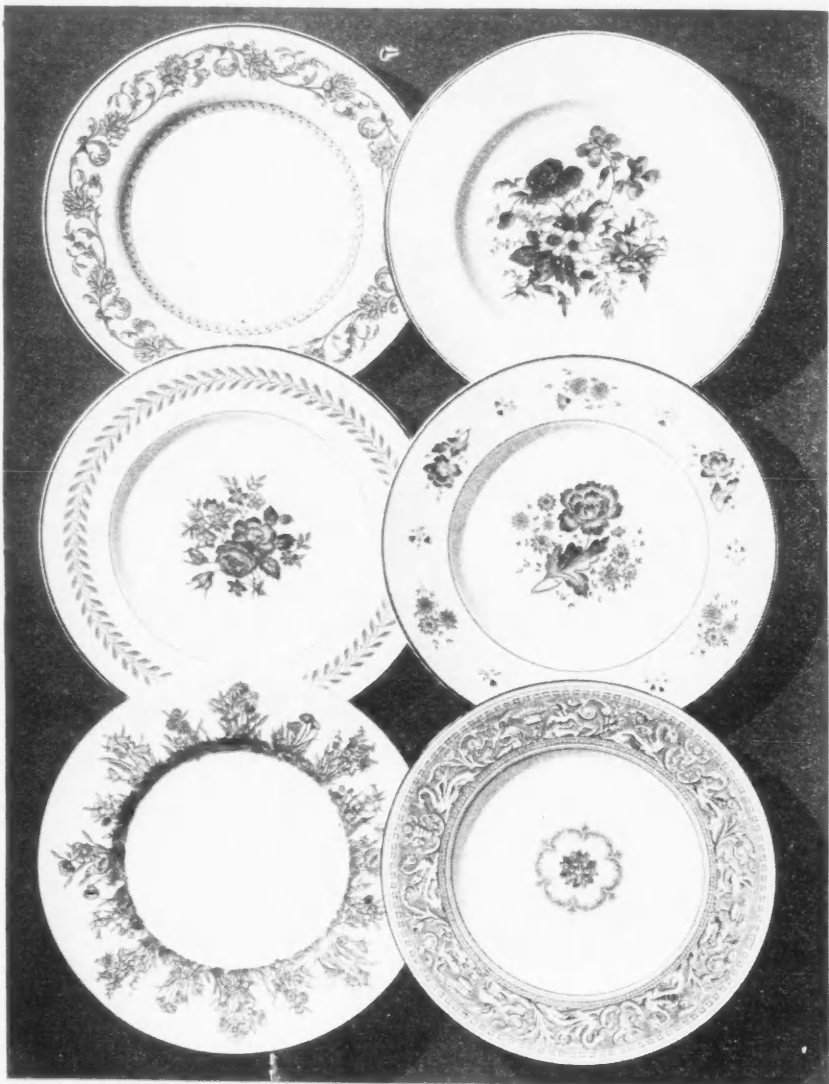
names is that of Fredric Hawes, whose way with hats has been hailed for some time among "the trade" but whose name has been unknown to most of those who wore them.

Although he is only in his thirties his passion for making women's hats extends over a number of years. It all began with the fact that he had seven sisters and a job in the shipping department of one of the

best known wholesale millinery houses in Canada. The seven sisters all of whom were younger than he—had dolls. So Fredric, when he had a moment to spare from his work in the shipping department, would pick up scraps and remnants in the workroom and make doll's hats to take home to his sisters.

One day one of the supervisors caught sight of one of his creations

WEDGWOOD



Gifts of Lovely

WEDGWOOD BONE CHINA

THE clear white tones and beautiful texture of translucent WEDGWOOD Bone China have made it the favorite table service of discerning hostesses everywhere. Unsurpassed in durability and tensile strength, it will last for many generations. The treatment of hand painted enamels in brilliant colors adds the much desired richness to the modern table setting. The purchase of beautiful WEDGWOOD Bone China is well within the means of the modest budget.

Many of the patterns illustrated may be purchased at your local china shop in Canada.

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After ski comfort and a cup of tea at New Colony Inn in St. Sauveur, Que. A bright green woolknit sweater with multicolored embroidery and bracelet of leather and little bells are worn with wool gabardine ski pants and fur boots. From T. Eaton Co. Photo Bureau of Fashion Trends.

Comfortable and smart for wear after skiing is this well-tailored slack suit of fine light weight wool check and bright flannel shirt worn by a guest at Nymark's Lodge in St. Sauveur, Que. From T. Eaton Company.



itely flattering to the complexion—a fact more and more women will be aware of during the coming months.

Those who have had to suppress their yearning for color in the past will be in their heyday among this season's hats with a choice of very vivid strong colors such as bright greens, red, rusty orange, some violet and, of course, the pastels.

Many spring hats are built with high profile lines that permit the pompadour coiffure to be displayed to its best advantage.

The perennial sailor will be around again this spring—but this time it should be worn on the head straight as a die and far enough back to show the hairline in front.

Ladies—we give you Fredrie Hawes.

Cream and Soap

The old controversy re the virtues of soap versus cream as a cleanser, seems to have ended in a draw, with everyone in amiable agreement that each is essential to prevent the skin looking like an old leather boot.

The complete Maria Danica treatment plays no favorites, and centres about the two—a cream of Danish origin and a special soap. The story is that it is made from a formula created by a certain Professor F. J. Fischer who was attached to the court of King Christian IX, and that it was available only to the Royal household.

The cream is pale yellow in color, slightly "runny" in consistency with a faint fragrance of lemon, and has the all-embracing purpose of cleanser, foundation for make-up and night-cream, besides coming in handy to promote an even sun tan.

It is applied to the skin first for cleansing, then the soap is brought into action on a soft sponge which is supplied with the treatment. The lather removes the soiled cream, and then a second coat of cream is applied. This is splashed with cold water and patted dry to provide a foundation for make-up.

All the ingredients for the treatment come in a swank black and gold box with a clear cellophane lid through which can be seen the jar of cream surrounded by rounded blocks of creamy white soap and the sponge used for washing.

AUDREY'S GOT ME

AUDREY'S gone to a teacup reader.

True enough
It's fun and stuff.
But Audrey's mind
Is the feeble kind
— Superstitious
— And inhibitions.

Boy what a line they're sure to feed her!

Audrey's back from the teacup reader.

I tried to appear
To be scornful, and sneer
At her nonsense and chatter.
(Oh! lots of the latter).
But Audrey's got me
And now she's brought me

Down to visit the teacup reader.

I've just got back from the teacup reader.

The cookies were old.
And the tea was cold.
But she told me I'd marry
A handsome Harry
With scads of money
To make life sunny.

So Audrey wins on the teacup reader.

FRANCEAN CAMPBELL.

MILLIONAIRE

GIANT with the golden teeth.

Gold beard and glittering eyes.
Aud lusty skin red like a scald.
Great Midas stalks abroad today.
Striding in boots with gold nails underneath.

Sharper than iron. Brass helmet dyes
Even his yellow eyes, lashless and bald.

Unwinking as a bird of prey.
His footprint taints the sod
With sullen stain, turns tin to gold.
And yellows all the grass; a sickly rust

Chokes leaf and tree where he has trod.

One finger's touch kills dust.
Blights life of man to frozen gold.
Hardens to gold man's very breath.
The stealthy Midas-hand drops death.

E. GARRETT.



"to you,
beautiful lady" . . .

Elizbeth Arden

gives complexion counsel

"Even if the gods were good to you," says Miss Arden, "you must treasure your skin to keep its freshness." For this purpose, she advises these never-to-be-neglected commandments: One, to cleanse with Ardena Cleansing Cream and Ardena Skin Lotion or Ardena Fluffy Cleansing Cream. Two, to tone with Ardena Skin Lotion. Three, to smooth with Velva Cream or with Orange Skin Cream. Perform this trilogy every night and morning of your life.

ARDENA CLEANSING CREAM	7.15 to 6.00
ARDENA FLUFFY CLEANSING CREAM	7.15 to 6.00
ARDENA SKIN LOTION	7.15 to 15.00
VELVA CREAM	7.15 to 6.00
ORANGE SKIN CREAM	7.15 to 8.00

Elizbeth Arden

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SATURDAY NIGHT

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James Melton, tenor, who will sing with the band of the Royal Regiment at Massey Hall, Toronto, January 22

THE BROADWAY THEATRE

A Shower of Merriment

BY JOHN E. WEBBER

IT WAS a merry holiday season in New York theatre circles. Even Critic's Row joined in the caroling on occasion.

Merriment began quietly in the genteel atmosphere of John Van Druten's new comedy, "Old Acquaintance," continued more lustily in two musical revues, "Pal Joey" and "Meet The People," and reached its peak in "My Sister Eileen," which led the ever restrained Brooks Atkinson to exclaim: "At last—at long last in fact—an amusing comedy has come to town." Well, it is all that.

Encouraged by the response to

mirthful entertainment, Bill Robinson was also brought on in a piece called "All In Fun," but Bill was all the fun it had to offer and its stay was brief. Likewise in lusty humor, and with more success, came "The Flying Gerardos," done by Kenyon Nicholson and Charles Robinson who once collaborated in a piece called "Sailor Beware." This new piece is the story of a college grind who falls in love with a pretty trapeze artiste. In the reactions of the troupe to the prospect of education getting into their midst, and of the undergraduate himself to the advantages of a fine physique over hollow-chested academicians, lies the humor. A funny enough idea and as set forth with considerable gusto by a well chosen group, headed by Florence Reed, it is at least a diversion from air sirens.

But to go back to finer things and "Old Acquaintance." Here Mr. Van Druten has spun another light and gossamer love story against a background of more civilized New York. He has done it too in the best style of his "Distaff Side" and "There's Always Juliet," and it is being brilliantly acted with Jane Cowl and Peggy Wood in triumphant performances. The old acquaintances of the title are a brilliant American novelist, whose books are praised but not bought, and a popular novelist whose books have made her rich. Comes into the picture a tangled love situation with opportunity for some fine character analysis in which Mr. Van Druten is so expert. The result is a complete portrayal of three women characters, done in perfect understanding and sympathy to the ripple of sparkling dialogue. Auriol Lee has directed the play in likewise perfect understanding of its subtle content.

My Sister Eileen

Out of Ruth McKenney's New Yorker sketches and subsequent volume under the same title, "My Sister Eileen," Joseph A. Field and Jerome Chodorov have written and George S. Kaufman, master showman, has directed a gay and hilarious comedy which is so far the season's hit attraction. "My Sister Eileen," as you will recall, if you have included the sketches in your Sunday reading, is the saga of two sisters who come to New York from Columbus, Ohio, rent a basement apartment (studios they are called) in Greenwich Village, and learn about life the hard way. One of the sisters aspires to be a writer, the other, dangerously beautiful, wants to be an actress. Not being



Harvey Doney, baritone, who will sing in Sir Ernest MacMillan's "England" at the Symphony Concert, January 21, at Massey Hall, Toronto

interested in sociology, the authors and, supremely, the director have filled in the simple materials of the story with all the absurdities that could overtake two girls in like situation. It is Village life at its absurdest and peopled with familiar Village characters—the landlord who dreams about art while sternly collecting the rent, the football-player upstairs, the love-sick males who come and go, a trollop who formerly occupied the premises, and finally

AIRMEN'S REST

I'll get mine some day, maybe from a Heinkel spitting lead, Or a flick of Fate from nowhere may strike my motor dead. Then I'll aim her nose for the heavens and give her an open gun. For the Hunting Ground of airmen lies up beyond the sun!

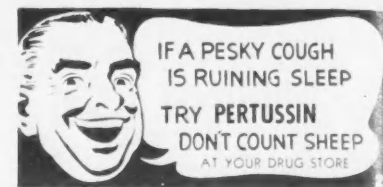
KENNETH MAYNARD MILLER, Windsor, N.S.

six Brazilian navy officers who had the "address." It is all just plain goofy and every moment absurdly funny.

On the side of laments we place the sudden departure of Paul Vincent Carroll's "The Old Foolishness" and, what we thought, a good and much needed melodrama, Chodorov's "Cue For Passion," along with Molnar's "Delicate Story." The producers, however, heeded the critics on all three and left audiences no choice.



Eddie Dowling and Julie Haydon in a scene from William Saroyan's comedy "The Time of Your Life" at the Royal Alexandra, week of Jan. 20



MASSEY HALL • TUESDAY EVE., JAN. 21

SIR ERNEST MACMILLAN

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"ENGLAND"
FOR THE FIRST TIME!

TORONTO SYMPHONY ORCHESTRA

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Soprano

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Baritone

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And Company of 25 From the Guild Theatre, New York

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"SHOWBOAT MINSTRELS"
— REVUE —

(Company of Over Seventy)

"LAUGH-RIOT of the SEASON"

"STEPPING-HIGH"

ENTERTAINMENT

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A CAPACITY AUDIENCE SHOWED ITS ENTHUSIASM WITH A TITANIC VOLUME OF APPLAUSE AT EACH OF PIANIST'S APPEARANCES. "FORCED TO GIVE MANY ENCORES" N.Y. TIMES, JAN. 11, 41.

REGINALD

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Reginald playing

THE FILM PARADE

Hacienda Come Back to Me

BY MARY LOWREY ROSS

FOR many people "Arizona" may seem just another horse opera. But for me it will always be one of the most remarkable pictures I have ever seen—the story of a beautiful girl who loved property with all the fire and passion of her woman's heart.

Phoebe Titus's earliest affair was with the pie business in early Tucson, Arizona. But as it turned out this was just first love, really more an infatuation than a genuine and lasting passion. The pie business, as Phoebe herself came to realize, wasn't big and fine enough to satisfy the emotional cravings of a woman's nature. And when a freight agency crossed her path Phoebe threw herself into this new passion with all the fire and urgency that made her one of the great romantic figures of the early West.

Don't make any mistake about Phoebe Titus however. Deep in her heart she had always cherished a dream of a Spanish ranch-house with rolling acres and hundreds of grazing cattle. She was still just trying and testing, unwilling to surrender her girlish treasure till Mr. Right Property came along.

Nothing could make Phoebe give up her dream. And for me one of the great romantic moments of the screen comes in Phoebe's freight office when Peter Muncie (William Holden) is trying to sweep her off her feet with sordid offers of sex and marriage. For a moment it really looked as though our heroine might yield. And I can tell you that when she straightened up and said quietly, "Peter, I want you to go out to Nebraska and buy me \$10,000 worth of cattle," more than one movie-goer blew his nose and shamefacedly wiped the mist from his glasses.

You may ask me, can a girl really be in love with a freight agency and a real estate property at the same time? I think I can honestly say she can. Phoebe was ardently in love with her freight agency even while she was dreaming of her ranching development. And it is only fair to add that she left the freighting business stronger and greater than she found it and that even after they parted they remained good friends and were frequently seen in public together.

I THINK I should pause a moment here to say a word about Peter Muncie. Movie-goers accustomed to routine Westerns might easily mistake Peter for the hero of "Arizona." For instance at one point Phoebe says, referring to Peter, "I think I've got me a man." As later developments made clear however, what Phoebe really meant was "I think I've got me a hired man." Obviously Phoebe was only using Peter as a woman will when she is in love—to expedite her affair with the ranch-house.

The great weakness of "Arizona"

as I see it is that in the final sequence it breaks with its high artistic standards to provide a routine romantic ending. Whether or not the screen authors intended it that way, you get the feeling towards the end that Phoebe is beginning to take a more than practical interest in

Peter. How else can you account for the fact that in the end she goes off to Tucson to marry him, leaving the ranch-house at the mercy of the villain, and tied hand and foot with a first mortgage? No doubt there are people who will spring to Phoebe's defence here and point out that in everything but the literal sense Phoebe was saving Peter in order

to marry the old homestead. I still feel however that there is an ambiguity here which weakens the whole intention of the film.

This is the only criticism I have to offer of "Arizona." As Phoebe Titus, Miss Jean Arthur gives a sterling performance marked by a finely balanced development of character and interests (pie to freight hauling to real estate.) It is true that I would have dearly loved a final sequence showing Phoebe throwing Peter out on his ear; with perhaps a fadeout of Phoebe nestling happily against the broad rugged shoulder of her hacienda. But I guess there's no such thing as a perfect picture.

The trouble with "No, No, Nanette"—at least one of the trou-

bles seems to be that the leading role wasn't played by Deanna Durbin, or even Shirley Temple. Miss Anna Neagle is a competent and beautiful actress but she is embarrassingly miscast in her latest film. It is always painful to watch an actress of mature talents romping and giggling and trying childishly to straighten out the tangled affairs of funny old adults. Honestly I wonder they didn't put Miss Neagle into hair-bows and sockeers.

"The Letter" fortunately is coming along soon. I have just seen a pre-view and it is a mature and distinguished film, with a beautiful performance by Bette Davis. "The Letter" will be reviewed at greater length next week.

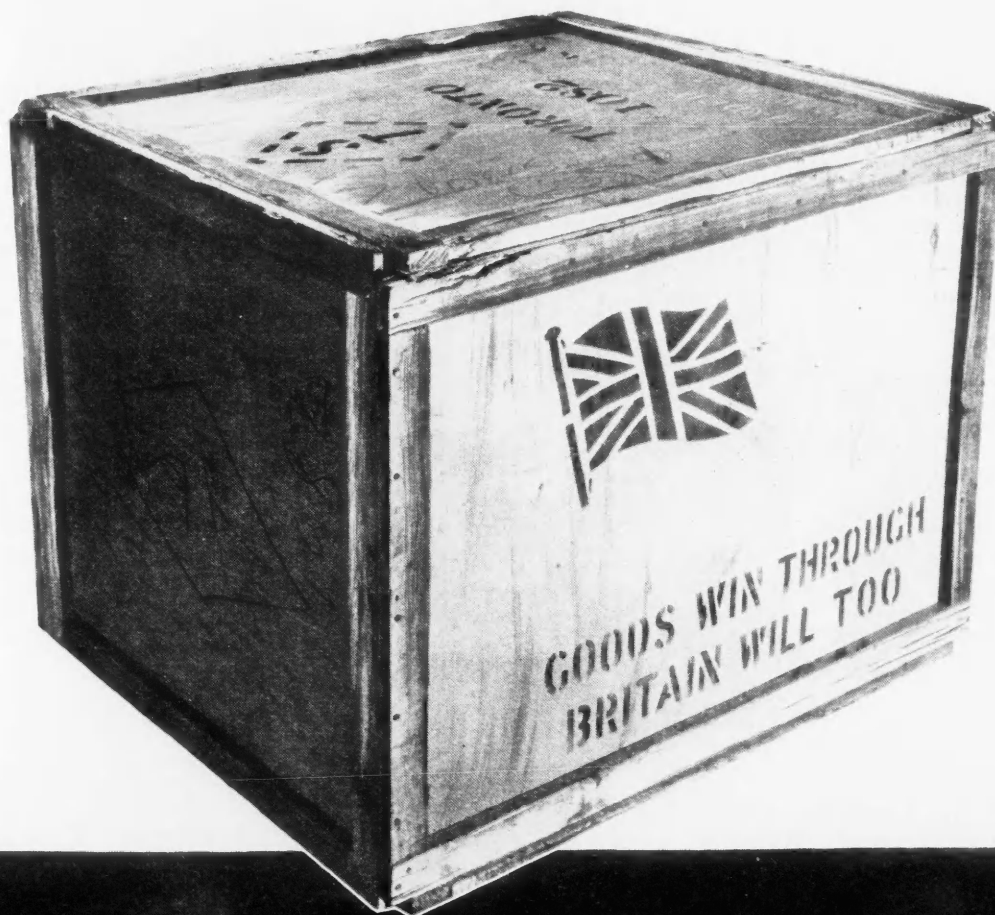
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Reginald Stewart, Canadian pianist, playing at Eaton Auditorium Jan. 22

MUSICAL EVENTS

New Canadian Composer

BY HECTOR CHARLESWORTH

IN VAST areas where the howling kine wind slowly o'er the lea as a matter of daily routine, listeners take delight in broadcasts in which studio comedians employ their wits in "kidding" each other. Such a program is that of the "Happy Gang," and few would regard it as an environment from which a serious composer would spring. Once more the old analogy of the flower blooming in a crevice of the rock has been justified this time in the case of young Robert Farnon, for three years trumpeter and comedian with that ensemble. Throughout the time that the Happy Gang has been trying to brighten life in humble households he has been teaching himself the art of composition. Last week the first fruit of his labors, a Symphonie Suite in D flat major, was presented by the Toronto Symphony Orchestra under auspicious circumstances. There is nothing amateurish or commonplace about the work. It is marked by spontaneous melodic and rhythmic inspiration of a refined and appealing order. The scoring is rich and ingenious, and Mr. Farnon's knowledge of wind instruments enables him to impart a glowing quality to his tonal fabric, enhanced by delightful passage work for two harps. The Suite was played with grace and gusto by Sir Ernest and the orchestra, and there was no question of the enthusiasm of a large audience, few of whom had ever heard of Mr. Farnon.

The remarkable virtuosity of the Polish pianist, Mieczyslaw Munz, is well known to the local public, and on this program he presented a work that fully tested his powers, Liszt's Piano Concerto, No. 2 in A major. It

is possible that Liszt thought nobody would ever be able to play this work, abounding in every technical difficulty that his skill could devise. At the hands of many competent pianists it would be a sorry hodge-podge; but with the immense technical resources of Mr. Munz it became a glamorous tour de force. The beauty of his touch was demonstrated in a subsequent number, Variations, probably his own, on Bach's lovely "Jesu, Joy of Man's Desiring."

The concert was one of the finest in the Orchestra's history. Sir Ernest's superb gifts as a conductor of classic symphonies grows more apparent year by year; and on this occasion he played Brahms' Symphony No. 1 with a splendor of imagination and beauty of detail that invited favorable comparison with any contemporary conductor anywhere.

Francescatti Arrives

Two years ago when France was free and joyous, any musical tourist who happened to mention, for example, Heifetz was at once greeted politely with the remark, "But have you heard Zino Francescatti?" In Vienna and other European centres he was also known as one of the foremost of living violinists. He is in his 36th year, and after some experience as a juvenile prodigy was launched as a finished artist sixteen years ago. Though famous in Europe and South America, little was known of him in the upper half of the Western hemisphere until he came to New York with a great many other artists after the present war started. Better late than never,

for he is a virtuoso of phenomenal powers and authentic musicianship. At Eaton Auditorium last week, Francescatti, coming unexpectedly to replace Robert Virovni, took by storm an audience which included many violinists. He is vital and spirited, with nothing whatever to learn in a technical sense. He may honestly claim, through a chain of instructors going back over a hundred years, to be a legitimate heir of the Paganini tradition. The intense warmth of his playing is perhaps due to the fact that he is a Southern Frenchman—a native of Marseilles. In style and temperament he is singularly unlike Thibaud, the greatest French violinist of the last generation, a serene, reflective, profoundly aesthetic interpreter.

Francescatti's tone is neither silken nor dulcet. It is strong and pungent, with a quality of pungency analogous to the flavor of almonds. This is in part due to his violin, a fine example of the workmanship of Santo Serafino, who was a Venetian rival of the Cremona group, but made instruments with a stronger and more biting tone than those of Stradivarius. The power of Francescatti's violin was effectively demonstrated in a marvelous bravura performance of Ravel's "Tzigane" and also in a set of Variations, probably improvised by himself, on the air of "God Save the King." The richness and breadth of his harmonics in Paganini's "I Palpit" were also unique; and he made the 18th century strains of Tartini's Concerto in D minor sound modern and impassioned.

News of Musicians

In 1939, Clayton Hare, a distinguished Canadian violinist, for some years resident in London, was sent by Dr. Bryson, director of the Royal College of Music, to Mount Allison University, Sackville, N.B., to develop orchestral music in that region. Mr. Hare by conscientious labor has created an orchestra, in connection with the institution, so well advanced that at a recent concert in Moncton it played the Tchaikowsky "Pathétique" Symphony and the Schubert "Unfinished Symphony." The University includes several able musicians in its faculty, including Prof. A. W. Trueman, a distinguished baritone and Mary Elizabeth Bell, head of the piano department. They participated in the program, and a feature was the playing of Francis Chaplin, 14-year-old violinist, a pupil of the institution.

A new patriotic song, "We'll Always Work With Britain," dedicated



Georges Enesco, Roumanian composer, violinist and conductor whose concert at Massey Hall, Toronto, in February has been cancelled. Mr. Enesco is unable to leave Roumania.



Argentinita, right, who, with her troupe of Spanish dancers, will appear at the Eaton Auditorium, Toronto, on Monday evening, January 20.

to Major General Victor Odlum, has been published. The words are by the gifted verse-writer Mercy E. McCulloch, a cousin of Hon. Vincent Massey, and the music is by Mrs. A. D. Jordan. Mrs. McCulloch is the author of what are probably the best English lines for "O Canada." They won the Collier's prize for such a poem thirty years ago, but unfortunately, have not been generally adopted.

Fritz Stiedry, formerly a distinguished Vienna conductor, who left Austria at the time of the Anschluss, was guest at Les Concerts Symphoniques de Montreal on January 14. He is President of the International Society of Modern Music and made a fine impression in Montreal a year ago. At his recent appearance he had the co-operation of the eminent Dutch pianist, Egon Petri.

The Late Daniel Frohman

In news despatches chronicling the death at 88 of the veteran theatrical manager Daniel Frohman, allusion was made to the countless famous stars whose early careers he had guided; but they did not tell half the story. It is a matter of record that practically all the leading actors of America a quarter of a century ago had at one time or other been under his direction. His foresight was not confined to actors alone. It was he for instance who discovered David Belasco, both as dramatist and director. The pages of his "memories," published years ago, teem with the names of celebrities. To at least two Canadians, Henry Miller and Margaret Anglin, he gave their first real opportunities.

He had no Napoleonic ambitions like his younger brother Charles; no desire for control of a large number of theatres and companies. His hobby was new discoveries, and he explored not only America but England for them.

He perhaps did more than any other man to establish close artistic relations between London and New York. Many of the best plays of Pinero, Henry Arthur Jones, Haddon

Chambers, Anthony Hope, R. C. Carton and Sydney Grundy were first presented in America under his auspices. His productions even in "second companies," were a guarantee of excellence in every role; and without pretensions of any kind he stood for clean, intelligent comedy. Perhaps his finest achievement in setting standards in modern acting was when for several seasons he brought Mr. and Mrs. Kendal to America with their London company. But he was no Anglomaniac. An American playwright or an American actor of genuinely serious purpose had as good a chance with him as a London celebrity.



"They must have been giving him

BOVRIL

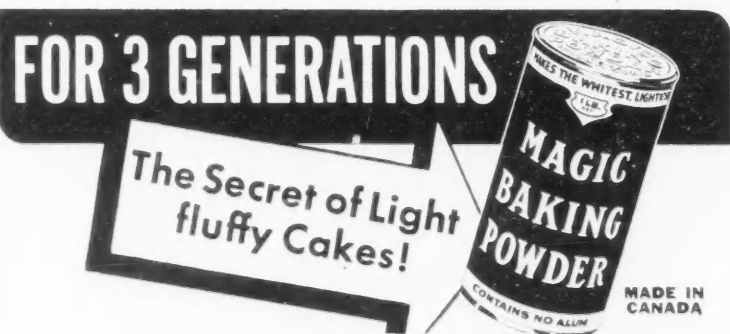
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CONCERNING FOOD

"Soup Of The Evening"

BY JANET MARCH

IS YOURS one of those houses where about Wednesday afternoon the dog can be seen on the lawn enjoying the T bone which was last Sunday's porterhouse roast? It is? Shame on you. Did your mother never tell you about stock pots? Still houses like yours are full of contented dogs, and when the front door opens you are not knocked over by a powerful smell of stewing onions. If you can have soup stock home-made without your nose telling you about it, you either have a marvellous fan in your kitchen or a cook who honest to goodness believes in keeping doors shut. The March family attract the open door variety which sounds as if it had something to do with China or Japan but hasn't. It's funny too how the soup is always made the day you are out all day, when all care about doors completely vanishes, and when you return at tea time bringing with you that charming and smartly dressed woman who lives three doors up and whose living room from the street looks as if it is all white furniture and mirrors you are nearly knocked over on the doorstep. The very best China tea is hardly noticeable if it is put up in a battle against onions.

We always had a stockpot at home. It sat out on the table in the back kitchen cooling, and when it was good and cold it grew a hard layer of congealed grease on the top of it. If you crept in the back door quietly you could chip off a piece and eat it and sometimes there would be a little bit of jelly sticking to it. The currants were out there too, but they were much harder to get at, as they lived on a high shelf in a cupboard. There was only flour on the conveniently low shelf, and that makes dry eating and leaves traces. The stock grease was good though, like ice-cream it had a peculiar flavor, although I have not enjoyed either delicacy for some years.

I don't believe there are many houses nowadays which operate without the help of canned soup. It is one of the great advantages of modern cooking, for the can opener gives you a tremendous variety of soup and also the stock for your gravy or sauce. For a change homemade soup is good, and you can have even more than the much advertised 21 varieties.

going to be eaten. Serve with a little grated cheese, and pass more.

If you read as many cook books as I do you will know that people are always thinking up queer soup recipes. You may want to try choco-

late or maple syrup soup at the beginning of your meal, but don't ask me to dinner that night. In moderation it's fun to try new odd things. Here's one you may not have met.

Rolled Oats Soup

1 cup of rolled oats
1 quart of milk
1 quart of water
12 soaked prunes
¼ cup of chopped almonds
Salt

Cook the rolled oats in the water until it is soft and mushy, and then

rub as much as you can through a sieve. Heat the milk and add the oat purée to it. Put the prunes to cook in a little water and when they are soft add them with the water in which they cooked, and then add the almonds. Season to taste, and let simmer for a few minutes before serving. Better take the stones out of the prunes.

Soup à la Bonne Femme

This is a famous French soup, which when you take a look at the ingredients it seems unlikely that the French are enjoying very often just at present.

3 cups of stock, either veal or chicken
½ cup of cream
3 egg yolks
2 tablespoonfuls of butter
½ tablespoonful of flour
1 chopped lettuce
½ cucumber peeled and chopped
Salt, pepper
Nutmeg, sugar

Heat the cucumber and lettuce in the butter in a covered pan then stir in the flour and add the stock and let it all simmer for half an hour. Beat up the egg yolks with the cream, and stir in slowly. Serve as soon as it is hot.

Is the man in your life a problem child at mealtime?



Put a man at the table
with a napkin on his lap—
and often he's quite a problem

What he likes, he likes as often as you give it to him. What he doesn't—he wants never!

If you have this problem, just try these two never-miss vegetables on the male animal.

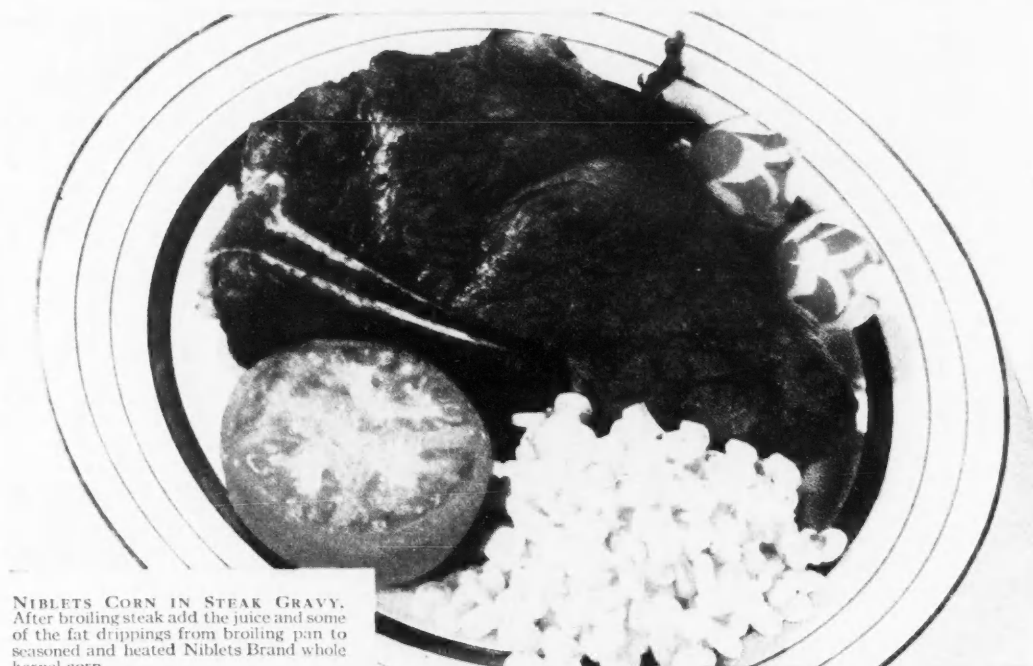
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NIBLETS CORN WITH CORNED BEEF HASH AND TARTAR SAUCE. Play up the hearty goodness of the corned beef hash and Niblets Brand whole kernel corn with a good garden green like string beans or spinach. Add an informal lettuce leaf or two.

Swedish Consommé

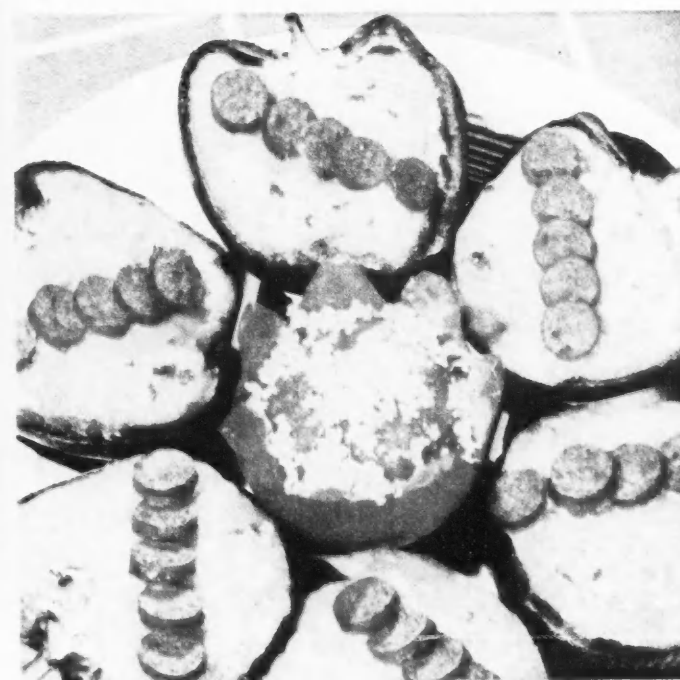
Take two cans of consommé, or about the same amount of home-made stock, and add to it an onion and an apple chopped up finely. Simmer them in the consommé until they are tender and then strain. Add four tablespoonfuls of cream and a little curry powder and serve as soon as the soup is really hot.

About this time of year you will probably find yourself one day thinking of onion soup, served in those small brown earthenware dishes with covers, from which you pour the steaming hot soup into an ordinary soup plate, also hot, in which sits a crustless piece of thickish toast. Then comes the grated cheese. It's perfect hot food for this cold country.

Onion Soup

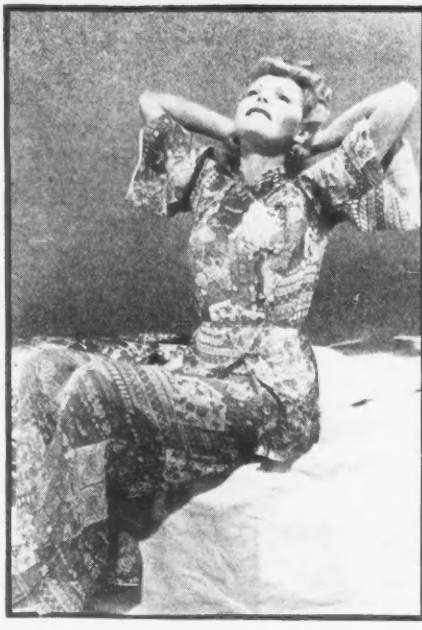
1 pint of stock, either beef or chicken
½ pound of onions
2 tablespoonfuls of butter
2 tablespoonfuls of flour
1 pint of milk
Salt, Pepper
Cayenne, sugar
Grated cheese

Sauté the finely chopped onion in the butter, and when the pieces are lightly browned stir in the flour, and then add the milk and the stock and seasonings and stir until the soup thickens. Serve very hot after it has simmered for about fifteen minutes, with crustless pieces of toast passed separately so that the soup is only poured on the toast just before it is



DEL MAIZ INDIAN DINNER—a new version of an old favorite. Corn pudding made with Del Maiz Cream Style Corn and baked in green pepper sauce. Add slices of Vienna sausage to your corn pudding mixture, and garnish the top with sausage slices.

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These "eye-opener" exercises, based on the theory that they awaken circulation, are designed for those who have no qualms about annoying the family with their good cheer in the early morning. The pictures show a series of not very strenuous exercises that will stretch the sleeper into wakefulness before the alarm clock stops ringing.

DRESSING TABLE

Futures In A Crystal

BY ISABEL MORGAN

THE other day we unearthed our favorite crystal, polished off the dust, put on a record of Mendelssohn's "Spring Song" and concentrated hard on thoughts of Spring clothes.

And that is how it happens we are in a unique position to take our readers far into the future which is a praiseworthy feat for any seer in such uncertain times and, incidentally, provide an answer to the ques-

tion, "How will I look this Spring?"

For one thing, you'll cast a straighter shadow. The jacket of your suit will be slightly longer and not nipped in at the waist quite as much as it was last year. And instead of having shoulders that are broad and accented, yours will be rounded in outline and slope just a little bit. Your skirt, besides being straighter in its outline, will be narrower around the hem, lacking the flare and movement of last spring. Of course the slight hippiness that fashion has been prone to regard with an indulgent eye will have to be restrained—viewed from the rear the pear-shaped figure is an unseemly object in a suit built on straight lines. How this restraint is to be accomplished is something to be fought to a finish between you and your vanity. Strong-minded persons probably will begin to take a renewed interest in exercises that clip inches off the hips the hard way. Others with less fortitude will put their confidence, and their hips, in a girdle that does more than provide an anchorage for stockings.

Of course, it all sounds suspiciously as though we are in for a return of the fashion cycle during which everyone, young and old, ran around in short tubular dresses and tried to look as "boyish" as possible. A dreadful period which everyone swore was the ugliest in the history of fashion.

All this may sound unduly alarming to the sissies who balk at fashion changes, but they can rest assured that the whole thing will be accomplished so painlessly and so gradually they won't quite know how it all happened.

Long May It Wave

A woman in Iowa has dreamed up a new method of permanent waving "which involves no metal, wires, machinery or heat." The hair is set in from fifty minutes up to an hour and a quarter. Then the hair is covered with an airproof cap ("sealed" is the term used, although it suggests something to do with Mormonism to us). A turban is then draped on the head and the permanent wave is set loose in the world for about twenty-four hours.

She may dine, dance, go to business, pursue any activity and all the time she is getting her permanent wave and, incidentally, wearing her turban. She returns next day when the hair is unwound, something called a "contraction" fluid applied, the hair shampooed, set and dried.



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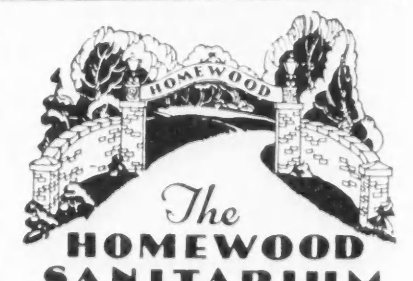
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Ipana
TOOTH PASTE

"THE BACK PAGE"

Folk Play

BY MARY QUAYLE INNIS

"YOU want to give a play," Mrs. Clay repeated. She had a bright, instant vision of the only play in which she had ever taken part. She lay gasping on a sofa as *Beth "Little Women."* The audience had roared and she had cried too. She could never forget it. "Why, I think it would be fine," she said with animation that her daughter stared at her. "What play is it?" "We haven't picked one out yet," Marian explained. "It'll be this afternoon."

"Don't you want costumes? Let's see, there's your old bunny suit."

"Oh mother, we don't want baby things like that. We'll find stuff for costumes. Can we have it in our garage?"

"Yes, of course. I'll help you put up the curtains."

"I don't think we need curtains."

"But Marian, you've got curtains. And you've never—"

"I guess we might as well have them then. I'll tell the kids."

Mrs. Clay pulled proudly at the long folds of popped chintz. She had made the curtains years ago when Marian was in kindergarten, hoping to encourage a dramatic instinct which somehow had never until now asserted itself. But now it had come. When Marian and David came in for lunch, they reported that a play had not yet been decided on.

"Louise wants one thing and Dick wants another," Marian sighed, "and Jean always wants her own way. But we're not going to give in."

"I showed you a good thing in my book," David reminded her sourly. "You never listen to my ideas."

"Well, I'd rather give your play than Jean's. We'll have to decide pretty quick. All the kids are coming to see it at three."

WHAT book is your play in, David?" his mother asked. "We've got plenty of books to choose from."

"Oh, just a book. It'd be swell, all right."

"Why don't you give something you all know? I suppose the three bears is too young."

"Mother!"

"Rumpelstilzkin, then. You always liked that story."

"Um—" Marian grunted through her glass of milk.

"Or Puss in Boots or—Oh, I know! It's the very thing. Hansel and Gretel." This time David grunted.

"I guess we could," Marian remarked temperately.

"Oh children, that would be lovely. You've got that peasant dress with the bodice that you wore summer before last, Marian. I'm sure you could get into it. And we could fix up something for David."

"I'm not in it," David answered firmly. "I'm going to be the man."

Later, perhaps, Mrs. Clay told herself. She must give David time. "You could use gravel to drop as you go through the wood the first time and I'll crumble bread for you to drop the last time, when the birds find it up. I suppose you can just pretend about the birds." What splendid training for their imaginations.

"Can I be excused now?" Marian demanded. "I told the kids I'd be right out."

"You can tell them I'll have the costumes ready," her mother called after her. "I've got some more ideas."

"I'll be there in a sec!" David shouted. "Don't you touch my book."

MRS. CLAY hummed as she hunted out the bodice dress and tied a ribbon on a straw hat for Hansel. Dick would probably play Hansel. If only David would take the part, if only she herself could see the play. But the children had not asked her and grown-ups must not intrude. Her whole life was lived in the fear of intruding on her children's lives. She had thought so often how lovely it would be if they turned occasionally

from skipping ropes, balls, "tap the icebox" and "red light" to a more imaginative kind of play. She had not dared to suggest such a thing, but now that they came to it of themselves. She rummaged eagerly through her box of wool. Yes—here was the ball of yellow left over from Marian's scarf. This was really an inspiration. She drew out long parallel strands of bright yarn and began to braid them loosely. A cap made of one of her father's handkerchiefs and a long yellow plait on each shoulder would transform Marian into a bewitching Gretel.

As she worked she looked wistfully into the back garden at her chair under the lilac bush. She sat there with her knitting every fine afternoon and this afternoon was fine. She would be able to hear what went on in the garage but she couldn't help that and the children wouldn't mind. She gathered up her work, the costumes, the yellow plaits, a slice of bread and a saucer and went out.

FROM the garage came such a blare of voices that at first she could make out nothing. Now and then she recognized a voice, but the words it formed made no sense at all.

"I want to be Zatarra." That was Jean. "I like when the gunmen fire at him and the bullets turn into doves. Oh and when he gets to the tower and sees them coming and that time the bullets turn into cigarettes."

"The things he says are too hard. Snig e-b-n-e-t-e-r-a-g-i-c. How're we going to say that? I don't like Zatarra much anyway."

Through the din of voices David seemed to be reading, though other children broke in eagerly from time to time.

"Acting swiftly, he presses a certain nerve in Lois's neck so that she will be unconscious during the ensuing events. You gotta drop down, Louise, when Dick does that. Gee, I wonder where that nerve is, so I could try it on Marian."

"I'd try it on you first. Come on, Louise. We've got to start."

"The pterodactyl seizes them as they fall from the crumpled plane, steel hands against fierce talons. Sit down, you kids. We're starting. Abruptly a green ray stabs from the statue and slices the stricken general in half. Now we're on a landing platform on a gigantic dirigible suspended in the stratosphere."

"Keep quiet!" Marian shouted. "If you kids can't sit down and keep quiet, we won't have any play."

AFTER all the shouting and demanding, they must be almost ready to begin. Mrs. Clay hastily picked up her saucer and crumbled the bread into it. After the storm of the last few minutes, "Hansel and Gretel" would fall like a benediction. She could hardly wait for it to begin. She gathered up the costumes and properties and went timidly to the garage door.

At first she could not get Marian's attention. Six or eight children bounded round and over the row of stools and chairs arranged for them. Jean and Louise were piling boxes at one side of the stage and Dick was striding up and down with his arms folded. David held a violently-colored booklet and Marian was everywhere, her face on fire, her arms smudged. She heard her mother's voice at last and jerked round.

"Here are the things for your play," Mrs. Clay murmured, embarrassed to find herself the centre of so many surprised and coolly disapproving looks. "Be careful of the crumbs."

"Crumbs," Marian repeated vaguely, taking the things. "Oh yes. Thanks, mom."

Dick seized the red skirt of the peasant dress.

"What's this?" he demanded. "Gretel's dress," Mrs. Clay explained and quickly withdrew.

"Just the thing," she heard Dick

exclaim. Well, that was a comfort. No matter what happened, she must not go into the garage again. She began to knit rapidly, trying not to listen. But she could not help hearing. Even in the house she would hear every word. The play began and went forward with ear-piercing gusto. There were shouts, groans and sudden bangs from the actors and even louder manifestations from the audience.

"Now we're on this dirigible in the stratosphere. He's got Luthor the Mad Scientist in his steel grip."

"Put me down! I'll tell you every thing."

"Revolvers are too puny for me. I'll finish him off in my own way."

"No use shooting! The bullets bounce right off his skin!"

"Destroy him! Blot him out!"

"You gotta jump down now. Knock the boxes over. He tears the dirigible apart with his bare hands!"

"Now I'm going to be the Mad Scientist."

"Sit down and keep quiet, can't

you? The most exciting part comes now."

MRS. CLAY shook her head to free herself from the sound of the strained voices and their unbelievable utterance. Along the side of the garage stood the hollyhock spires of bell-like blossoms just as they had stood in the garden at home when she was a little girl. When she would have loved to have a theatre with curtains and costumes for playing "Hansel and Gretel." Any children would. In those days. The sunlight across the garden looked suddenly cold. She shivered a little and began to knit again.

"He seizes the end of the train, putting his tremendous muscles into play, and the train screeches to a dead stop a few feet from the spot where the rails are missing. Thus Curtis's plan is foiled. The Man of Steel swoops down to Curtis's residence. You're Curtis. Come on."

"I am not. I want to be Luthor!"

"All right, quitter. I'll be Curtis

myself." David's voice deepened portentously. "In a few minutes I'll telephone the order to my brokers that will plunge the country into economic chaos!"

"Kaos, not chaos," Marian corrected. "Now Dick, you fly in the window."

When the audience had removed to the lawn to play "blue-bottle," Mrs. Clay ventured as far as the garage doors. Marian was taking down the curtains. David, holding his book, exclaimed proudly.

"They took my play and it was swell."

"That's fine," his mother said. She looked down. The yellow plaits, lying on the floor under a stool, had been thoroughly stepped on. The saucer was safe but someone had eaten the crumbs. Dick was unpinned the red skirt from his shoulders. "Gee, mom," Marian exclaimed, bundling the curtains in her arms, "that red skirt was the very thing we needed. It made a swell cape for Superman."

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The Deb Room

Main Store—Third Floor



A. Beige and black, crown of white fur felt, trim of black millinery straw. 7.50

B. Brimmed, hunter style with A. vacuous wires. Black virginia straw. 7.50

C. Loaded with spools, white, tips of the valley on black millinery straw platform with raffia bow and band. 7.50

THE T. EATON CO. LIMITED

Consumer Credit Is Really A Retail Problem

BY ARTHUR P. REID

CONSUMER credit is simply another term which means—debt. It means indebtedness of those who use and consume articles of commerce. Generally speaking it means also family debt. And it has come to mean installment debt, although perhaps only half of the total consumer debt is directly traceable to installment buying.

In the United States this consumer credit has ballooned to an estimated nine billion dollars, even in 1937. Although no exact figures are available for Canada, the estimate of one billion dollars would not be too high.

Not all this debt is socially bad. As a matter of fact, our production forces are geared to the consumer credit idea and our economic system could not function without the principle of "pay as you use".

Most of this debt will be paid when it is due, and it is being paid regularly. The amount of debt, however, is constantly increasing. The great problem in connection with the whole field of consumer credit is that many consumers are becoming over-indebted. Some families have been allowed, even urged, to load such a burden on themselves that they may never be able to see daylight ahead. They are caught in the slough of debt.

Too many families have been invited by sellers of merchandise to

Consumer credit can be a great boon when properly used, but can become a boomerang to society when abused.

The author of this article, who is vice-president of the Household Finance Corporation of Canada, says that the consumer must be taught to budget his income and that every person who expects credit should present a financial statement, proving that he has a right to the credit.

Are retail merchants "holding the bag" by granting credit too freely?

take on obligations which they cannot repay. Every sort of advertising medium is used. The radio, newspapers, magazines all call seductively—"buy now—pay later. Get all you want and take your own time to pay for it."

This problem has been recognized by many social agencies and has been the subject of intensive study by the Russell Sage Foundation of New York. Rolf Nugent, Director of the Department of Consumer Credit Studies of the Foundation, is an outstanding student of the problem. In an article in the 1940 edition of the Credit Management Year Book of the National Retail Dry Goods Association, Mr. Nugent has this to say:

Toll of Credit-Selling

"I do not wish to depart for a moment from the generalization that the great majority of consumers make good use of the credit facilities

available to them. Most housewives manage the none-too-simple job of keeping outgo within modest income with all the skill of the professional comptroller. Nevertheless the pressure of credit selling is taking an increasingly heavy toll. The minority, who are unable to resist the lure of goods that can be acquired with little cash, who view too optimistically their ability to pay, or who have careful financial planning upset by circumstances beyond their control, are finding the aftermath of easy payments far from easy. And a minority that is numbered in hundreds of thousands, if not in millions, cannot be neglected."

What many sellers do not see is that people who cannot afford to buy, should not buy. It may be economically sound to mortgage the future income, but is suicidal to do it unless the person pledging his income can see where he is going to get the money to pay off the mortgage.

In other words, the consumer must



A stone-bastioned machine gun nest and lookout on the coast

SWEDEN

With nations surrounding her potentially hostile or occupied by possible enemies, Sweden must mind her P's and Q's as no other neutral country in Europe, not excepting Switzerland. For Sweden has what every warring nation covets: the richest iron ore deposits in the world.

Those deposits may keep Sweden scrupulously neutral: she will sell to both sides; she may be the only European country not to feel the direct impact of this War.

But Sweden is maintaining a neutrality patrol: a small but highly trained army. If the worst comes to the worst, Sweden will fight. It cost the Nazis 70,000 lives to occupy Norway. Sweden may come higher. Here on this and the opposite page are pictures of Sweden's neutrality patrol.



A trumpeter sounds Reveille



Anti-aircraft gun crews sharpen their eyes by steady practice

THE BUSINESS ANGLE

Coming Economic Reform

BY P. M. RICHARDS

THE National Association of Manufacturers in the United States last week published a booklet in which it lists what it says are eleven economic fallacies that have restricted employment expansion and industrial recovery, and presents with each of them statistical and other factual evidence as refutation. As the "fallacies" cited are widely held in Canada too as well as in most other countries, and as failure to dispose of them must seriously menace post-war recovery and progress, the N.A.M. booklet seems to merit more than ordinary attention, even in the midst of war.



The eleven "fallacies" listed by the N.A.M. are as follows: 1) That wealth and income in the United States are becoming more concentrated. 2) That the national income can be increased without increasing production. 3) That wage rates alone determine a wage-earner's real income. 4) That labor gets only a small share of what it helps produce. 5) That technological improvements create unemployment. 6) That profits are not necessary. 7) That economic recovery can be achieved by government spending. 8) That ten years of depression prove the private enterprise system has failed. 9) That competition is no longer effective. 10) That the average man pays little taxes. 11) That "over-savings" in the nation as a whole cause depressed business conditions.

Trouble Besides War

As everyone knows, the life-or-death war in which we are now engaged is by no means our only trouble. There is the social-economic dissension so marked in recent years and so greatly accentuated by the long years of pre-war depression, which dissension still exists under the cover of the wartime stimulation of industry and will assuredly arise to rend us in the post-war future if we don't do something about it.

It is because almost everybody agrees that social and economic conditions have been highly inequitable in the past and must be radically changed for the better that we are sure to have far-reaching attempts at social-economic reform after the war. Democratic governments strive to give their peoples what they want. Unless governments and peoples get their economic ideas straightened out, there is going to be a lot of trouble when the stimulus of war production is removed and the ex-soldiers are seeking employment and peoples everywhere are demanding the

"more abundant life" all at one and the same time. Obviously the time to get ideas straightened out is now.

It requires very little thought to appreciate that the "more abundant life" is not to be achieved as easily as many people believe. The idea, vaguely, is that there is going to be a great deal more governmental control and economic planning, involving considerable socialization of the means of production and redistribution of wealth. But how, in a democracy that still believes in freedom, is the government going to do all this? How will it get the power? Such a program would involve not only removal of the enjoyment of vested interests by people of wealth but also of rights and privileges won by labor after long years of struggling.

British Labor's Attitude

No one who read the speech of Sir Walter Citrine, general secretary of the British Trades Union Congress, to the sixtieth convention of the American Federation of Labor will be under any misapprehension on that point. Sir Walter dealt at length with the effects of the war on labor standards in Great Britain and told how British labor had responded to Mr. Churchill's appeal to suspend union employment limitations and requirements during the period of the war, in order to speed production. Labor consented, but insisted on having the fullest legislative safeguards against permanent loss of privileges and class inequality of sacrifice.

It was made quite clear that labor was conceding nothing beyond co-operation in the wartime emergency. Yet in a post-war planned economy, designed to provide a more abundant life for all, it is probable that labor would have to suffer the loss of many of its present privileges. Certainly in Germany labor has lost everything but a bare subsistence.

Conditions are going to be difficult for years after the war no matter what social-economic system we have. The new system must work, or we may have anarchy. There is no reason for class war, when the interests of all classes are necessarily in the establishment of a workable system. The new spirit of comradeship between classes created by the war, so marked in England and growing in Canada, seems to provide an opportunity for getting together on social-economic questions that might result in smoothing considerably the otherwise rocky road of the future



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be taught to budget his income. He must also be taught to realize that he has no inherent right to credit, unless he is deserving of it. The time should come when every person who expects credit should present a financial statement, proving that he has the right to that credit.

No business man expects to go into a bank and be able to borrow money until he has first presented certified proof that his assets and income are such that he can pay back the money. No business man expects to purchase thousands of dollars' worth of raw materials unless he can prove to the satisfaction of the seller that he can pay for them.

Family credit ought to be on the same basis. Also it ought to be arranged so that the merchandiser of family goods should be able to find out from the family itself—not in some roundabout way—just what the financial condition of that family is.

It is not only the retailer selling goods on the installment plan who helps pile debt on the consumers. Many a retailer who sells to customers is really doing an installment business, but he isn't getting a carrying charge. He does business on an open account basis, but a large number of his accounts are slow and some are uncollectible.

An analysis in the United States published by the Public Affairs Committee of New York City shows that nearly one-fifth of all consumer indebtedness is in the form of retailers' open accounts.

Chief Credit Cost

Every retailer has had experience with slow accounts in his own business. But many of them do not realize the social implications of the practice of letting these slow accounts run. Many retailers think they are doing a family a favor when they are lax in collecting a slow account. Some retailers think they are benefiting themselves by not making prompt collections for goods sold. The opposite is true. To let a slow account run and run may put a family in a hopeless condition. The same practice may ruin the merchant himself.

Professor Clyde William Phelps, head of the Department of Economics at the University of Chattanooga, in a series of studies made for the Household Finance Corporation, has come to the conclusion that the costs associated with slow accounts constitute the most important item in the total cost of doing a credit business.

Professor Phelps, in one of his studies, points out ten hidden losses in slow charge accounts, and shows how they may ruin a retail business. Much of the following information is taken from his work on the subject.

The practice of continuing to sell to a customer who has not paid his bill at the end of the credit period, for instance 30 or 60 days, tends to increase the amount of the account which cannot ever be collected. Most of the bad debts are caused by customers who will not pay, not those who cannot pay. If a customer will not pay, the sooner the retailer finds that out the better, but he will not find it out soon enough to save himself from a bad debt loss unless he enforces prompt payment at the end of his credit period.

May Wipe Out Profit

A slow account also increases the merchant's bookkeeping and collection costs. It costs more to get the money in from a slow account than it does from a prompt-paying account. If an account is seriously slow the cost of collecting it may wipe out all the profit. Even if eventually paid in full, the cost of getting the money may be more than the profit realized on the sale of the merchandise.

Slow accounts cause an extra expense or interest. To the retailer who must himself borrow, as most do, the extra interest cost on a slow account may eat up the entire profit of the transaction.

The capital which is locked up in slow accounts cannot be used in conducting the business. Slow accounts may even prevent the retailer from taking advantage of cash discounts. The use of money to pay discounts

for cash is one of the most profitable uses to which capital can be put. Elimination of slow accounts releases capital for taking advantage of many profit-making opportunities.

It is a well known fact that the profit-making possibilities of a business are dependent to a large degree on the rate of turnover of the capital employed. One retailer with only \$10,000 invested in a business can make more than another with twice that amount invested, if he can turn it over more times in the course of a year. The retailer with a large amount tied up in slow accounts must have a larger capital if he is to make profits equal to his competitor who has a rapid turnover.

Too-Long Credit

The merchant who allows a customer credit for long periods of time may think that he is keeping the customer away from a competitor. Actually, however, he is likely to lose the customer, whereas if he had enforced prompt collection he might have kept him. A majority of retailers, in a recent survey, agreed that customers embarrassed by their overdue accounts in one store refrain from trading there, taking their custom, and possibly paying cash, to a competitor. Many customers are lost because of a misunderstanding of the credit terms. If they understood that they were expected to pay promptly at the end of the credit period they would do so. But when allowed to be slow for a long time they are likely to resent a little collection pressure to such an extent that they will trade elsewhere.

Slow accounts naturally cause an increase in the cost of doing business, which causes an increase in prices. These accounts eliminate the possibility of charging lower prices and giving better service, both of which would bring other customers. Many a merchant could offer better quality or lower prices if it were not for the added burden thrown on him by delinquent accounts.

These same slow accounts may make it hard, or even impossible to borrow when he needs money. His banker, seeing that a large portion of his capital is tied up in frozen accounts is not likely to lend much money on such security. Therefore, when a retailer finds himself suddenly in the need for money, he may not be able to get it.

Many of the commercial failures are caused by lack of capital, one third, as estimated by some experts. Lack of capital is often directly due to the money which is tied up in slow customers. Thus slow customers lead to bankruptcy.

Unpayable Debt

The practice of allowing customers to become slow is unfair to the other customers who pay promptly. It means that the good customer is being penalized by higher prices and poorer service because of the extra cost caused by the slow payer. Prompt-paying customers often realize this and take their trade to a competitor.

The retailer who allows his customers to become slow is also responsible for a certain portion of the burden of unpayable debt on the consumer. Frequently the money which should have gone to him was spent on other things, perhaps on installment buying, when he could have prevented it had he been active in collecting his money. His easy attitude may have been responsible for the family becoming sunk in the morass.

It is not only the retailer with his open accounts, however, who is in danger because of the mountain of consumer debt. The retailer who sells on the installment plan likewise must watch his step.

He may load a family beyond its capacity to pay and he may lose money in doing it. He may even lose money when the family can pay. Professor Phelps in another survey has pointed out the many hazards in this particular kind of selling and the necessity of determining, with accuracy, the carrying charges necessary to handle such sales without loss.

When an installment seller, whether through insufficient investi-



In the air Sweden is far from a match for any of her potential aggressors. But she keeps her air personnel in top shape and is adding to her anti-aircraft defences all the time. At the left is a heavy coastal artillery piece. Below, an American-type pursuit ship. On the grounds that they might fall into enemy hands, the U.S. recently refused delivery of 100 of these ships to Sweden, sent them to Greece.



gation of the customer or other reasons, enters into a contract with a family whose income is already so mortgaged that it will not be able to carry the new purchase, he is doing that family great harm and will probably lose money on the transaction himself. Also when the purchaser does not thoroughly understand the terms of the contract, including how much it costs him in carrying charges, he is not a good risk.

This is not to say that installment selling or any other kind of consumer credit is socially dangerous. As a matter of fact the country which

has the highest standard of living—the United States—also has the largest consumer debt.

Another large slice of consumer debt is held by those agencies which lend cash. The experience of lending agencies has amply proved that there is a large demand in Canada for cash credit, as distinguished from credit in connection with the sale of merchandise.

Small Loans Act

As a matter of fact, as more and more debt is piled upon families, the more demand there is for cash credit

and the greater necessity there is for such credit being made available.

This problem has been recognized and the Canada Small Loans Act is an intelligent attempt to provide credit for those who are in need of it. This law, which limits the rate on the unpaid balance to 2 per cent. a month, has made great headway in eliminating the loan shark evil, under which many of our citizens were unmercifully gouged by lenders operating outside the law. The small loans law also contains one of the best safeguards against dangerous over-extension of credit, namely, the provision that the rates must be clearly stated in percentages per month on the unpaid balance. The personal finance companies, which operate under this law, and the credit unions are the only lending agencies required by law to state their rates in this manner. Undoubtedly it is a good thing for the consumer to realize the EXACT rate he must pay for credit.

Boom or Boomerang

Consumers, if truly informed of what the costs of credit are, will eventually use the kind and rate of credit which will best solve their problems, but unless they are able to get this information easily they may be misled. Unless they fully realize the obligations they are undertaking, any device to help them out of their financial difficulties may plunge them in deeper.

A great forward step will be taken when the retailers, of whatever kind, realize that consumer credit can be a great boon when properly used, but that it can become a boomerang to society when abused. When retailers appreciate the fact that a hopelessly debt-ridden family is a liability to the community, they will take steps to inaugurate some system which will keep such families out of hopeless situations.

Consumer credit is a retail problem. It begins there. The retailer is the one to start solving the problem.

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Reports

Another Good Year

The forthcoming annual report shows that sound stewardship, traditional with Confederation Life for 69 years, has been fully maintained during 1940.

Largest gain in insurance in force in last five years.

Mortality below average of past 10 years.

Lowest expense rate in the last 10 years.

Interest earned on invested assets 4.46%.

1939		1940
\$31,478,374	Insurance in Force	\$445,087,729
130,301,125	Assets	135,686,105
48,604,501	New Business	49,390,099
2,650,892	Surplus earned	2,554,991
8,930,179	Total Surplus	8,657,891
13,512,920	Premium Income	13,919,018
	(excluding Single Premiums)	

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GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast.

UNION GAS

Editor, Gold & Dross:

I should like to have your opinion on the advisability of purchasing shares of Union Gas at the present market price with the thought in mind of a satisfactory interest return and a safe capital investment.

—E. S. S., Vancouver, B.C.

I don't think I would advise the purchase of Union Gas stock which is quoted currently at 14½ to yield approximately 7.1%.

While the company's earnings for the six months ended September 30th, 1940—the first half of the current fiscal year—were \$320,011, as compared with \$198,326 for the corresponding period of last year, I think that the increased rate of income tax plus the Excess Profits Tax will narrow profit margins considerably. That is, the total income and excess profits taxes payable on the earnings of this company and its subsidiaries for the current fiscal year will be very much greater than the amount provided for income taxes on the earnings for the fiscal year ended March 31st, 1940. Also, the company is faced with the difficulty of raising its rates to meet rising costs.

Net income in the year ended March 31st, 1940, was \$1,130,177, equal to \$1.60 per share, as compared with a net of \$914,259 in the previous fiscal year and earnings of \$1.29 per share. The company's financial position is satisfactory.

Union Gas Company of Canada, Ltd., supplies directly or through subsidiaries natural and artificial gas to twenty-four cities and towns in South-western Ontario, including the cities of greater Windsor, London, Chatham, Sarnia and Hamilton, embracing a population of over 300,000.

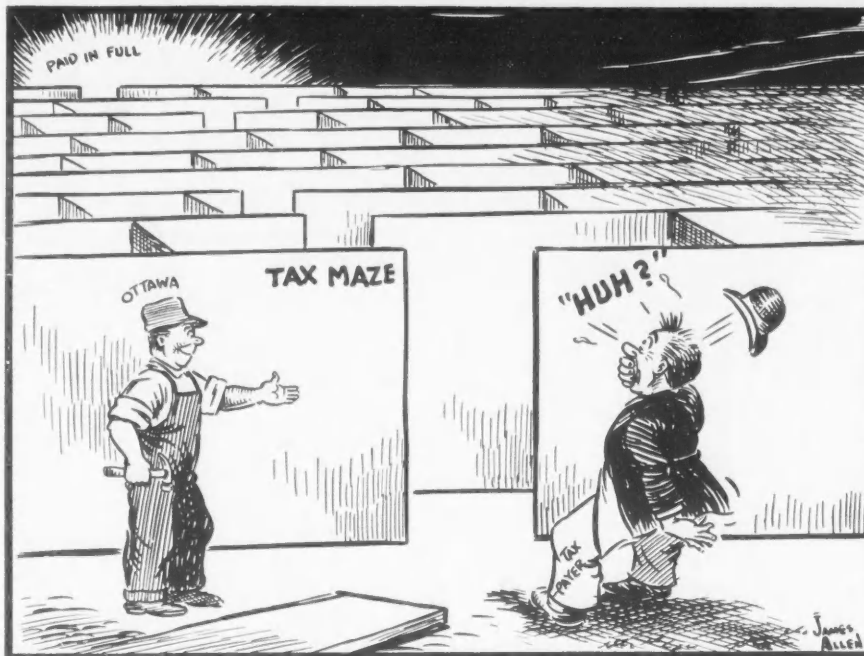
PICKLE CROW, LONG LAC

Editor, Gold & Dross:

I wish you would be good enough to advise me why the shares of Little Long Lac and Pickle Crow are so low in price on the market, in view of their dividends. Is there anything wrong with the mines themselves? Are their reserves becoming exhausted?

—F. L. P., Toronto, Ont.

The question as to why such and such a mining stock is not selling at a price which recognizes its yield is one that cannot always be answered with any certitude. The situation



THE NEW GAME FOR CANADIAN TAXPAYERS

minewise at both Little Long Lac and Pickle Crow is, in my opinion, quite satisfactory and not responsible for the apparent inequality in the price of the shares. In addition to the effects of the war, the most logical answer is the appeal which the outstanding developments at some of the newer gold producers has held for the trading public. The junior gold stocks fared better than any other group during 1940 and naturally detracted attention from the older producers, with the result some of the latter return high yields, and Pickle Crow and Little Long Lac are by no means an exception. Signs of a broadening of interest, however, have been evident recently both locally and from the United States, and any expansion of the market for the golds should benefit the stocks you hold.

Production at Little Long Lac for 1940 should prove to have been about the same as in the previous year, as lower operating costs are likely to offset higher taxes and other charges. Ore reserves are sufficient for approximately four years' milling. The mine has been opened to the 16th level and in drifting the bottom horizon has shown lengths and values as good as the average of the upper block of levels. Plans call for sinking of an internal shaft to establish four new floors below the 16th. The treasury surplus was also improved last year.

Pickle Crow last year maintained production, profits and dividends, despite much higher taxes and is expected to increase the treasury surplus. There is several years' ore above the 1,950-foot level and a new block of ground 1,000 feet in depth is to be opened on the main zone. The new North ore zone is opening up in an interesting way and this development may more than counterbalance the lower grade and smaller dimensions of the main vein at depth.

CANADA CEMENT

Editor, Gold & Dross:

I have been advised by my broker to sell Canada Cement Limited 4½ per cent bonds, due 1951 and buy Massey-Harris 4½ per cent bonds due 1954.

He advises me to make the change because he thinks the Massey-Harris bonds are not correctly assessed on the market in relation to other Canadian industrial enterprises. He doesn't belittle the bonds of Canada Cement, but suggests that a profitable exchange might be made.

Has the Massey-Harris Company ever defaulted on bond interest payments or have they come close to defaulting on payments in the last 10 years?

H. T. G., Windsor, Ont.

I am inclined to disagree with the advice given you by your broker to switch from Canada Cement bonds to Massey-Harris bonds. The reason for this disagreement is that there seems to be a fundamentally healthier situation in Canada Cement's situation than in the Massey-Harris situation. In other words, the demands for the products of Canada Cement Company have been in-

creasing substantially and seem likely to increase further, while in the case of Massey-Harris, the exceedingly dubious long-term wheat outlook creates a big question mark in regard to the ability of Massey-Harris to sell its product in sufficient volume. Massey-Harris bonds may, as your broker says, be worth more than they are selling for now on the market (though personally I see no reason to believe this is true), but even so, I think they are definitely less attractive than Canada Cement bonds, and so the market seems to think.

The answer to your question as to whether or not Massey-Harris has ever defaulted on bond interest payments in the past, is that it has not defaulted but has come within measurable distance of doing so. That is to say, the company had very substantial deficits in earnings available for bond interest in the years from 1930 to 1935, inclusive. Personally, I do not think that Massey-Harris is likely to default in future, but I think it would be more likely to do so than would Canada Cement Company.

CANADIAN CELANESE

Editor, Gold & Dross:

I have several friends all of whom are urging me to buy Canadian Celanese common stock. However, I have saved myself a lot of money in the past by consulting you on my investments and here I am again. I would like to know the company's past earnings record and something about its future outlook. Also, of course, your opinion of the stock.

—C. B. F., Toronto, Ont.

The common stock of Canadian Celanese, Limited, has above-average appeal both for income and for its appreciation possibilities.

The company was incorporated in 1926 and at the start its earnings were by no means impressive. In 1928 there was a deficit of \$1.80 per share, followed by a deficit of \$1.06 per share in 1929. In the next three years, earnings rose to an average of \$3.01 per share. Then in 1937 and 1938 there was a drop to \$1.96 and \$1.71 per share, respectively. In the year ended December 31, 1939, earnings climbed steeply to \$4.03 per share and a further gain is, I understand, in prospect for the year just ended.

You can see for yourself that the company's record has been one of steady growth.

Dividends on the common stock have kept pace with the company's growth. The regular rate is 25 cents, payable quarterly, but since 1936—when the first payment was made—extras have been paid in four of the five past years. In 1936 and 1937, the extras amounted to 60 cents per share in each year. In 1939 and 1940, they amounted to \$1.85 and 90 cents per share respectively.

Canadian Celanese, Limited, manufactures cellulose acetate and products derived therefrom, such as artificial silk yarns, lacquers, varnishes, etc. It owns the sole rights for the Dominion of Canada under the Dreyfus patents and process covering the production of cellulose acetate.

ALLEN, MILES & FOX

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ELLIOTT ALLEN, F. C. A.

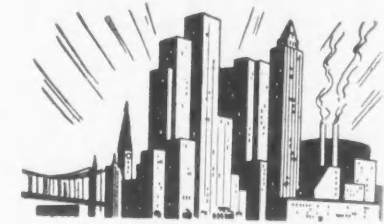
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Penmans Limited DIVIDEND NOTICE

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1941.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of February to Shareholders of record of the 21st day of January, 1941.
On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of February to Shareholders of record of the 5th day of February, 1941.
By Order of the Board.

Montreal, C. B. ROBINSON, Secretary-Treasurer
January 6, 1941.

Hollinger Consolidated Gold Mines Limited DIVIDEND NUMBER 310

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 25th day of January, 1941, to shareholders of record at the close of business on the 10th day of January, 1941.

DATED the 7th day of January, 1941.
I. McIVOR, Assistant-Treasurer.

TRENDS IN THE FIELD OF INVESTMENT

Facilities for studying the frequent changes in the field of investment and the status of securities are available to this organization through its branches. These facilities are at the disposal of our clients at any of our offices.

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Montreal Trust Building

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GOLD & DROSS

INTERNATIONAL PETE

Editor, Gold & Dross:

Some years ago I purchased quite a number of shares of International Petroleum at a cost considerably above the present market. I am now anxious to know whether or not I should continue to hold this stock with a view to an improvement in the market value and dividends or if I should dispose of same immediately.

M. H., Montreal, Que.

I think if I were in your place, I would be inclined to hang on to my International Petroleum stock for the time being at least. The stock has attraction for its appreciation possibilities and I think that the current dividend rate should be maintained.

Earnings in 1940 probably declined from the \$1.19 a share of 1939, but some increase is possible in 1941. Dividends should be maintained, as I have said, at the recently reduced rate. The disruption of the European market continues an adverse influence, but increased shipments to Canada are indicated for 1941, as a result of greater demand for Venezuelan crude oil from Imperial Oil.

BAYSIDE MALARTIC

Editor, Gold & Dross:

Would you kindly give me your opinion of Bayside Malartic as a buy?

M. E. A., Montreal, Que.

Bayside Malartic Mines has not reported any activity for some time. Apparently no work was done in 1940 and only a little trenching in the previous year. Holdings consist of six claims in Malartic township and seven claims in Launay township, Quebec. Surface exploration has been done on both groups and about 4,000 feet of diamond drilling on the Malartic property. I understand core sampling failed to show high values. A wide vein has been traced for a mile on the Launay claims and channel samples ran as high as \$32 over a 2 1/2 foot section. It was proposed early in 1939 to diamond drill this ground.

SENATOR-ROUYN

Editor, Gold & Dross:

Would you kindly give me your opinion of Senator-Rouyn. Is it well managed and financed and do you regard it as a better-than-average prospect?

D. M. D., Cornwall, Ont.

Senator-Rouyn Limited has excellent management and is past the prospect stage having commenced production in October, through use of the leased plant of Arntfield Gold Mines. Its own mill is expected to be in operation about May 1, 1941, and as income in excess of \$200,000 is anticipated under this arrangement by the time the new mill is ready, this amount, in addition to that recently realized from the sale of company notes, will likely be sufficient to pay for the mill, and ex-

tend exploration and development to three new levels at depth.

First production at the leased mill is reported as coming up to expectations and profit possibilities appear good. About 200,000 tons of ore averaging over \$10 per ton at present gold value, has been indicated in development work on the 375- and 500-foot levels, which estimate is confined to a vertical section between depths of 125 and 550 feet, and having a length of 500 feet. Persistence of the ore zone to a new level of 875 feet has been confirmed.

RADIUM, MIDWEST IRON

Editor, Gold & Dross:

I would be much obliged if you would give me your candid opinion on Canada Radium Mines and Midwest Iron Mining Corporation.

M. A. C., Port Colborne, Ont.

Canada Radium Mines announced

some time ago that the 100-ton mill which had been under construction for some years was finally turning over. The company plans to produce concentrates containing uranium, tungsten, tantalum, beryllium and gold, and I understand for test purposes were installing a unit to separate the various elements in the concentrates. It still remains to be seen how successful the company will be in its effort to extract on a commercial scale the various elements said to be in the ore.

Midwest Iron Mining Corporation announced plans a few months ago for exploration of a portion of its property, which comprises 4,600 acres in the Steep Rock Lake area, but I have not yet heard of the progress. A geological study of the property was made last summer. Further exploration was said to be justified on the basis of the indications that iron minerals of ore forming possibilities have been deposited on the property.

BUSINESS AND MARKET FORECAST

BY HARUSPEX

The CYCLICAL or major direction of New York stock prices was last confirmed as downward. The SHORT-TERM movement was confirmed as upward on June 12 but is now undergoing test as to continuation.

THE NORMAL MARKET PATTERN

Mid or late January recession, followed by renewed strength into February or March, and then a more substantial setback in March or April as a base for advance over the balance of the year, is the normal pattern for a market that is facing a year of higher business volume and higher earnings.

The February to March strength comes on the rosy prospects for the year as a whole and is further helped if the previous year was good, thereby guaranteeing favorable annual earnings releases during the period of market buoyancy. The March/April decline represents the more sober realization that it is probably a mistaken policy to try and discount the entire year's anticipated favorable business results all in the first quarter.

On this setback accumulation takes place and then comes the slower but more persistent advance as business recovery is gradually demonstrated in improving quarterly earnings.

COMPLICATED BY WAR UNCERTAINTIES

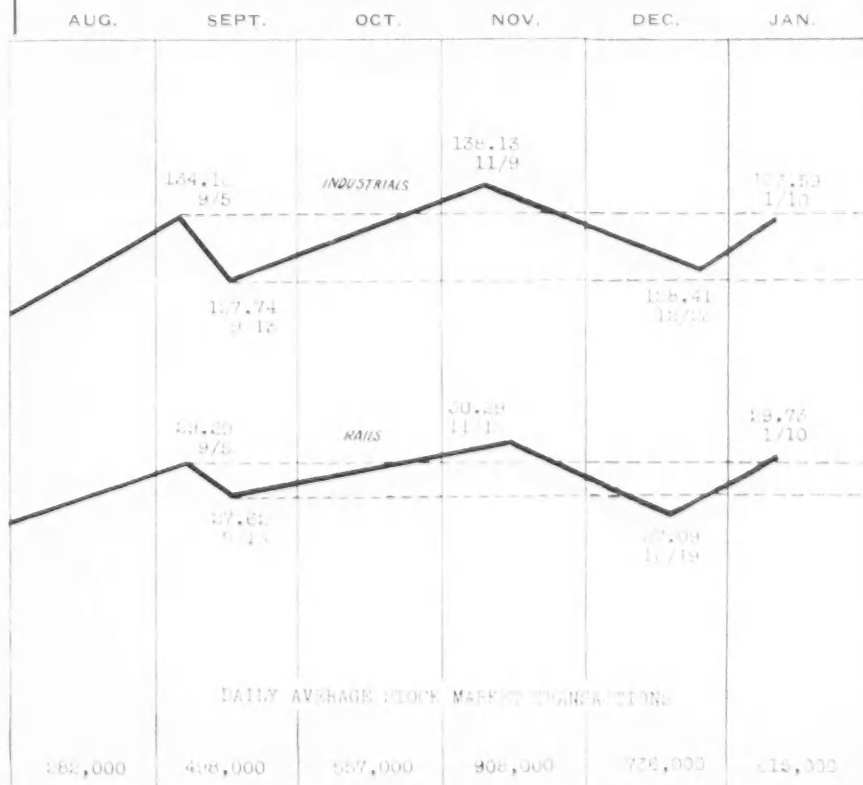
Were the uncertainties of the duel between the Germans and the British not actively present, the above market procedure, in view of the business outlook, would not be an improbable pattern over the several months ahead. With war actually present, however, and with the odds, in our opinion, considerably in favor of a Nazi blitz being launched against the British Isles at some point between February and May, the investor cannot hold any considerable assurance as to market timing.

This is for the reason that when and if the blitz does come there will, despite current evidences that Britain can successfully withstand the assault, be sufficient concern aroused over the outcome as to suggest market weakness from that point until the results are known, regardless of any probable market pattern. Because of this fact, we would regard market strength, now, and over so many weeks immediately ahead as it may continue, with a degree of caution.

SIGNIFICANT MARKET LEVELS

From the technical approach, the market, as reflected by the Dow-Jones industrial and rail averages, has registered the recession from November into December and has since enjoyed a fair rally. Any decline, following termination of such rally, that carried both averages to or under 126.63 and 26.09, respectively, would signal the intermediate trend as downward. The above mentioned closes would represent joint downside penetrations by the averages of the line formation that has now been running since last September.

DOW JONES STOCK AVERAGES



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Price: \$158.50 per share net; yield 5.05%

Present Annual Dividend \$8.00 per share

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PRESIDENT

ABOUT INSURANCE

Smoke and Fire Hazards of Air Conditioning

BY GEORGE GILBERT

It is generally realized that effective means of detecting and controlling the spread of fire and smoke in air conditioning systems is especially necessary in premises where the panic hazard is pronounced.

Suitable equipment for accomplishing this purpose is now available, and nearly all the devices, except the smoke detector, are those generally used for the normal operation of the system.

AIR conditioning has been briefly described as a system of operations through which air is cleaned, heated, cooled, moistened, or dried, and distributed. It is now well known that human comfort, efficiency and health are affected by the factors of temperature, humidity and air motion, while in the case of the cleanliness of the air, it has a direct bearing upon health alone.

An air conditioning system that is carelessly designed from the fire protection standpoint, it has been shown by experience, may create even in a high-grade fire-resistive building of low initial hazard a serious condition that not only endangers the building but which may cause a severe hazard to life through panic.

It is accordingly the part of wisdom, when installing an air conditioning system in a new or old building, to make sure that it conforms to the safety requirements which experience has shown to be necessary in order to eliminate or materially reduce the hazards and consequently the losses that otherwise may result.

A recent analysis of 25 fires involving air conditioning systems showed that in 19 of these fires there was combustion within the system, and in 7 of the 19 combustible ducts or interior duct linings were a factor, while in 2 fires exterior insulation of ducts was involved. In 10 fires combustible smoke-filters were involved. In 2 fires combustible dust within the system is mentioned as contributory.

Spreads Fire

It is also pointed out that in 5 cases no fire occurred within the system but that heat and smoke were distributed by it, and that in one of these cases apparently neither fire nor smoke was carried through the ducts, but that the air currents induced by the system, which was in operation, contributed to the rapid spread of the fire in the building served by it.

It is noted that such loss figures as are available show that the average loss per air conditioning fire is very high, about \$22,000, but that fortun-



Rt. Hon. R. B. Bennett, former Prime Minister of Canada, now in England, accepts a cheque for £7,500 from Mayor H. E. Brown of Lewisham, left. Of this money, £5,000 will be used to buy a fighter plane named after the Borough; the balance will buy bombs to be used to best advantage.

ately these fires have almost invariably occurred at a time when the property involved was not fully occupied, so that personal injury and loss of life have not as yet been an important factor.

While it is admitted that the number of fires so far recorded is not large enough to warrant great reliance for detailed statistical purposes, it is clearly indicated by the record that a considerable proportion of fire and smoke losses occur from combustion within the system. Therefore the elimination of combustible or smoke-producing materials and apertures and frequent cleaning will relieve this condition as will also the elimination of possible sources of ignition, but these measures, it is pointed out, cannot be expected to correct it entirely.

It should not be overlooked that materials whose combustibility or smoke-producing properties would be considered negligible in an open room may become seriously hazardous under the draft conditions generally prevailing within the duct system, and, even though the system is not in operation, the drafts induced by stack or chimney action may be quite strong and may be especially vigorous at the time of a fire.

Protection Needed

Where the maximum in fire protection should be provided is obviously in those systems which are in buildings containing large numbers of people or large values in materials subject to damage by fire and smoke.

As a characteristic of fires involving air conditioning systems is the rapidity with which they spread, so a correspondingly rapid action of the fire detecting and fire protective devices is necessary. In the event of a fire occurring in an air-conditioned building, either inside or outside the duct system or in the vicinity of its intake, the following actions are fundamentally necessary, according to that well-known expert, Protection Engineer J. A. Neale, of the Underwriters Laboratories:

"1. Shut down the blowers so that the movement of air will not augment the fire, 2. Interrupt the continuity of the duct system (by dampers) so that smoke, flame and heat may not travel from their source to the places where damage may be caused, 3. Isolate and extinguish the fire. From the foregoing it is obvious that blowers should be stopped and dampers closed when there is: 1. Smoke or fire in the air-conditioning system, or 2. Fire elsewhere in the area served by the system."

He also points out that the problem of providing protection from smoke as well as from flame is complicated by the fact that smoke in the system is not necessarily accompanied by heat, and consequently the customary methods of detecting and initiating its extinguishment by thermal means are not necessarily applicable.

Fortunately, as he points out, there are means of quickly detecting the presence of smoke even in very small quantities. In his opinion, devices employing the photo-electric cell seem to be best adapted to the pur-

pose, and several concerns are developing equipment of this type. It is expected that these devices will be submitted to the Underwriters Laboratories in due course, and their tests and examination will cover the electric and mechanical details of the device itself.

Attention is drawn to the fact that, unlike a fire detecting device, the smoke detector, when used, should not be employed to actuate the discharge of water, foam, gas or other extinguishing mediums, but should be limited to stopping blowers, sounding alarms and closing dampers, as there is always the possibility that it may operate when smoke is drawn into the system from an outside source, there being no fire in the system to extinguish.

With regard to the proper location of the smoke detecting equipment, it must be located where it can supervise all of the air passing through the duct system. In the view of Engineer Neale, in most cases where the system is of conventional design, it is desirable to locate the smoke detector immediately downstream from the blower or filter, as it will then be in a position to immediately detect smoke originating at the most hazardous part of the system—the filters, the heating and cooling equipment, the electrical equipment, etc.

At this point, it is noted, the stratification of smoke in the duct will be at its minimum, and also at this point the air, being normally clean and tempered, will have the least deteriorating effect on the lenses and reflectors of the smoke-detecting device. To retard fouling, lenses should not be directly in the air stream, but should be set back from the sides of the duct and should be readily accessible for cleaning and inspection.

Inquiries

Editor, About Insurance:

Will you kindly give us a report on Drapers and General Insurance Co. Limited of London, England, whose agents are Willis, Faber and Company, Montreal, Que.

A. E. H., Port Arthur, Ont.

Drapers and General Insurance Company, Limited, with head office at London, Eng., and Canadian head office at Montreal, was first registered in 1909 as the Drapers Mutual Fire and General Insurance Corporation, Limited, the present name being adopted in 1918.

It entered Canada last year, and operates in this country under Dominion registry. It is regularly licensed for the transaction of fire, automobile and allied lines, and has a deposit with the Government at Ottawa of \$233,600 in British Government securities (accepted at \$156,512) for the protection of Canadian policyholders exclusively. All claims are readily collectable, and the company is safe to insure with.

It is affiliated with another British company, the Provincial Insurance Company, Limited, with head office at Kendal, Eng., and Canadian head office at Montreal. The Provincial was established in 1903, and has been doing business in Canada under Dominion license since 1910.

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AGENCY OPPORTUNITIES

IN SOME TERRITORIES THROUGHOUT CANADA

GEORGE H. GOODERHAM, President

A. W. EASTMURE, Managing Director

Canada and South America

BY RAYMOND ARTHUR DAVIES

THE return of the Canadian Trade Mission to South America due to the illness of the Hon. J. A. MacKinnon, Minister of Trade and Commerce who headed it, seems to place in abeyance for the time being government efforts to establish closer commercial relationships with the republics south to the Rio Grande.

In many ways this "failure of the mission" was unfortunate. Our energetic neighbors to the South are moving heaven and earth to win every dollar's worth of trade available. The Import-Export Bank is rapidly extending its operations. Cultural and propaganda machinery is being organized on a vast scale. We can only admire this typical Yankee thoroughness.

On the other hand the return of our mission coincided with the arrival in Brazil of the British Economic Mission to South America headed by the Marquess of Willingdon who described his task as not only that of expanding trade but also consolidating political friendship.

We Need South America

An analysis of our own situation must quickly convince us that we can not afford to leave the vast South American market entirely to our friendly and some not-so-friendly competitors. We need South American trade. We must have it to bolster our credits for the purchase of needed raw materials. We must have it to transfer some of our purchases to countries where we would not have to exhaust our foreign currency reserves. Finally, we must have as much as possible of this trade to reinforce our industry, now booming with war production, against the day when peace will be declared.

Rarely, if ever, has a country been so favorably placed for winning new business as is Canada in South America at present. The gigantic trade of Germany and Italy as well as the countries under the Nazi heel—France, Belgium, the Netherlands, Denmark, Norway, Poland, Rumania, etc. with South America amounting to over \$600,000,000 yearly has almost entirely ceased thanks to the efforts of the Royal Navy.

Yet the Latin Americans must buy and sell to live. Only three competitors remain who can bid seriously for the former trade of the Nazi block. They are the United States, Canada and Japan. We have been doing better since the outbreak of the war. But our \$40,000,000 export-import trade with the twenty republics south of the United States is small indeed when compared with the total amount of business which might be written. That some of our firms have taken advantage of the situation is well demonstrated by the fact that the Latin-American business done by Canada during the past year is more than 40% greater than that in 1939. But it is not enough.

Canada a Favorite

A number of exceptionally favorable circumstances operate to our advantage. The Royal Navy keeps away the Nazi competitors. Our own reputation among the Latin Americans is extremely high. Sympathy for the British war effort is rapidly spreading and the Nazis are losing ground even in localities where they formerly had been firmly entrenched. Canadians are well liked everywhere. We have never been guilty of prestige politics. We have never threatened reprisals. We have never sent our army and navy to occupy countries whose methods we disliked. We traded equitably and justly. Our very smallness of population motivates in our favor and the Latin Americans feel that in doing business with us they do so on the basis of equality, a feeling they do not always have when dealing with the United States.

Our methods, our products, our salesmen are well liked everywhere from the Rio Grande to Patagonia. In many instances during my visits to South America I have been asked point blank why we were not sending more Canadian salesmen to compete with the business being done by the Germans, the quality of whose goods, by the way, could hardly com-

pete with ours. And in this connection, too, it should be emphasized that the excellent work done by our Trade Commissioners has been instrumental in preparing the ground for the further expansion of our trade.

At the risk of differing with the author of "Hemispheric Defense is Hemispheric Hysteria," Mr. H. F. Nicholson, (SATURDAY NIGHT, December 28) we must establish that the problem of Latin American trade is not alone a commercial one, but rather comprises a unity of political, military and economic considerations.

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Easy Mark for Hitler

It is well known that the political leanings of any state are deeply influenced by those of its best customer. If the Latin Americans can not sell to the democracies they will be forced to attempt to do business with the Axis powers. This will inevitably bring at first an economic, later a military alliance with those who threaten the very existence of our mode of life on this continent and in the world at large. Latin America left to herself, suffocating under accumulating million-ton surpluses of raw materials, deprived thereby of credits with which to purchase manufactured goods, would be an easy mark for Hitler.

Considered from this point of view our trade with Latin America becomes a matter of defense against Nazism and of consolidation of our positions in the present and the post-war world.

One must become deeply impressed with the policy of the British Government which in the midst of the trials and tribulations of war and even when facing a possible invasion sends a powerful economic mission to South America. Other British efforts, although not as spectacular, are equally impressive. British exhibitions are being held in Latin American cities. A British Book Fair recently held in Buenos Aires was hailed as an outstanding example of the difference between German and British world outlooks. The one burned books, the other sponsored culture.

U.S. on the Job

The realities of the situation have been perceived by the United States Government to an even greater extent. The masterful mobilization of resources to consolidate Latin American trade through the operations of the Export-Import Bank is already bearing fruit. Within a few short months since its establishment, the Bank has loaned Brazil \$25,000,000 for the purpose of constructing a steel plant; established a credit of \$10,000,000 for Colombia to strengthen its currency reserves; loaned Argentina \$50,000,000, etc., etc.

Side by side with these economic measures, the United States has initiated a powerful propaganda drive. Special organizations have been set up for this purpose and the United States radio chains are now broadcasting Spanish and Portuguese programs designed to disseminate the essentials of democratic precepts to the sometimes not-so-democratic neighbors to the south.

We have been more negligent. It is true that in the midst of the total mobilization of our resources for war

production and our military needs we can not afford to emulate the grandiose schemes of the Export-Import Bank. But we can do lesser things. And these will bring great dividends.

Our sometimes lackadaisical approach to trade with Latin America is partially due to the backlogs of war orders which look so attractive on paper and which satisfy our industrialists. When millions in war

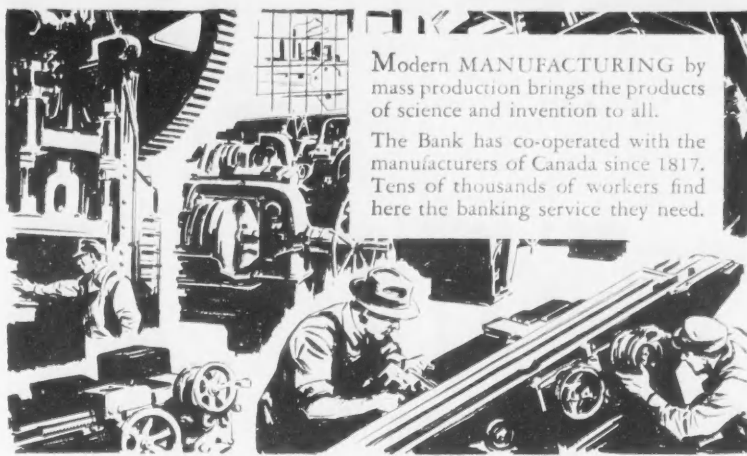
TWO

TWO who were known by evenness of pace,
By unstrained silent commune,
Quick sympathetic glance, and idle grace
Rippled by some brief start of mirth
Two came together down the empty road,
Claiming the summer sky, the summer earth,
For payment of a lover's tune,
Bartering songs to own the earth.

The lifted chins and forward eyes
Turned never back,
The unbowed shoulders bore no load,
Nor did they ever feel the lack
Of other company. Two may comprise
The very race. . .

E. GARRETT.

contracts are available here, why bother with the relatively small amount of business which can be written elsewhere, many say. But this short-sighted attitude can only do grave harm to the country in the long run. In the future these new orders which might seem so small against the present volume of war business will without doubt become tremendously important to our whole economy.



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A PROGRESSIVE CANADIAN COMPANY

CONTINENTAL

THE CONTINENTAL LIFE INSURANCE COMPANY in its annual report for 1940, shows results that are eminently satisfactory—the year's business most gratifying.

ADVANCEMENT—The new business issued during the year exceeded that of the previous year by 7.90%. The total insurance and deferred annuities in force on Dec. 31st, 1940, reached the highest figure in the company's history, amounting to \$44,300,885.

BUSINESS DUTIES—All the Branch Offices of the Company throughout Canada maintained their proud record of most competent service. In addition to underwriting applications of 3,899 new clients, they conveyed to Policyholders and Beneficiaries payments totalling \$851,149.

STABILITY—The cash and invested assets of the Company were increased during the year by the sum of \$497,056. The total admitted assets at the year end also attained a new high level in the amount of \$10,617,517.

The Year 1940 was one of Sound Growth—Scientific Service—Added Strength.

The Continental Life Insurance Company

JOHN W. HOBBS
President

HEAD OFFICE—TORONTO

NEWTON J. LANDER
Managing Director

BRANCHES IN PRINCIPAL CITIES ACROSS CANADA

FOUR

SQUARE

Britain Has Yet to Devise a Sound War Economy

Britain's government has not yet come to grips with the basic economic problems of wartime, and the economy continues to drift toward inflation.

In view of the fact that Britain's revenues are failing to meet expenditures by around £2,000 millions annually, Mr. Layton says it should be plain to the government that there is need for action and that the time for rhetoric, cajolery and invitation is long past.

IN GREAT BRITAIN it has recently appeared that the quickest and surest way of coming by political virtue is to dole out to a languishing audience in the House of Commons a series of fervent platitudes about Britain's economic policy, what it is, what it has been, and what it will become.

It would not worry anyone overmuch if only the general run of members were at fault in not grasping the economic problem completely or in failing to see how a policy could be formulated to meet the need. But Ministers of the Crown themselves and they practically all find common ground in the economic question—have displayed a degree of inadequacy on this point which must be accounted remarkable after so much time.

Wherein lies the trouble? In the first place there is plainly a woeful shortcoming in diagnosis. The Treasury observes that we cannot say that inflation will not develop to some extent, and it exhorts the people to still greater efforts in saving. Mr. Greenwood, who is the Minister (without portfolio) most intimately concerned with the economic side, does his exhortation in terms so vague that the public can scarcely be supposed to know that they have been appealed to. There has not so far been any public statement by a responsible authority of the Crown on how the government analyses the situation, and what measures it proposed to adapt a cure to fit the illness.

The illness is, of course, simply war. The war takes men from industry and puts them in the Forces. It creates a vast need for supplies and it necessitates a great measure of industrial reorganization. It puts up prices, inevitably, and it puts up costs. It presents workers with new claims for higher wages, and it presents the country with arguments why the sort of economic development natural to belligerency should not be allowed to develop into inflation. It compels rationing, and it orders the adjustment of supplies from overseas, not in accordance with ordinary demand, but in accordance with fundamental needs, available shipping space, and considerations of strategy.

No Worthwhile Action

It does many more things besides, so that it would be, to say the least, imprudent to boil the entire economic problem of war down to a fight against inflation. Yet on this one issue, about which there has been enough talk to fill a dozen volumes of the Encyclopaedia Britannica, there has been no action worthy of the name.

Now this is not nearly good enough. There is undoubtedly a big shortcoming in diagnosis—only lately has the economic "Brains Trust" been given the word to go on its research job—but there has been an even graver shortcoming in the performance of those duties which the speeches of Ministers themselves have shown to be necessary.

Surely it is plain to the government that there is need for action, and that the time for rhetoric, cajolery and invitation is long past. The Treasury will on demand forward to any Minister who remains in doubt a statement which will show our revenue from all sources to fall short of our expenditure by something like £2,000 millions on an annual basis. That is not the proper

foundation for a policy of appeal.

Political appeasement died a very sudden and deserved death in the international sphere long ago, as we reckon time now, and it is high time that economic appeasement on the home front vanished together with the conditions to which it was once appropriate. Mr. Keynes, before he developed the wishful myopia with which semi-official office often infects, produced a scheme for deferred sav-

ings which, while it had its bad points, had this major good point, that it would largely solve the financial problem of the war. Is there no hope of any scheme so wide in its scope as that was? Is the government going to continue to serve with its lips the need to prevent spending

and to hold down prices, and at the same time to serve with its policies such pro-inflation devices as the lamentable agreement with the railways?

The people of Britain have declared their readiness, through the Press, and through their representatives in

Parliament, to suffer any regulation if it be needful. They gave Emergency Powers to the government so that the government might use emergency powers to help win the war. It would be wrong of our authorities to suppose that the people will be better pleased if these powers are neglected in some anachronistic and irrelevant attempt to retain, in wartime, that individual freedom which existed before.

BY GILBERT C. LAYTON

Saturday Night's Financial Correspondent in London



A Metropolitan policyholder gets married.



There is a birth in the family of a policyholder.



A son begins to support himself.

When Circumstances Alter Cases

WHEN YOU BUY a life insurance policy, just as when you buy anything else, you want to spend your dollars in the wisest possible manner.

Metropolitan also wants you to do this. That is why its agents are given continuous training in how to help you select the kind of life insurance that best fits your needs. Moreover, through the agent you have access to the counsel and advice of Home Office and Head Office experts.

But the insurance programme that fits your needs today may not fit your needs tomorrow. Changes in your income, or in your family obligations, make it advisable for you to review your life insurance programme from time to time.

Suppose, for example, a policyholder gets married, or there is a birth in a policyholder's family. Each may call for a change of beneficiary in present policies, and perhaps the addition of new policies.

Or again, a policyholder gets an increase in salary. This may mean that he should expand his life insurance programme.

A business promotion or salary increase.



Another policyholder's income may be reduced due to unemployment, a business reversal, extended illness, or new and unexpected expenditures. In some cases, his insurance may be rearranged on a more modest basis. In other cases, it may be possible to help him keep his present insurance programme by changing his premium payments to more convenient intervals.

Decreases in responsibilities sometimes suggest changes, too. Daughters marry, a beneficiary dies, a son begins to support himself, or an older policyholder decides to retire. In almost every case, it is advisable to review the manner in which the insurance money is to be paid.

These are only a few of the countless problems that develop in the families of Metropolitan's 29,000,000 policyholders.

As such problems arise, your Metropolitan agent is always ready to help you solve them, and to give you the benefit of special training and experience. In fact, Metropolitan maintains, at the Home and Head Offices, a number of departments especially equipped to assist the agent in keeping your

An older policyholder decides to retire.



insurance programme fitted to your needs.

In just one of these departments, a group of experts is kept busy, day in and day out, considering more than 4,000 proposed changes and adjustments each week in Ordinary policies alone. In another department, more than 4,200 proposals affecting Industrial policies are considered each week. Metropolitan makes more than 11,000 changes of beneficiary each week, and more than 75,000 so-called transfers, occasioned by changes of address and other causes.

These are only a few of the many types of changes which Metropolitan is called upon to consider. If you are a Metropolitan policyholder, we urge you to keep the Company informed of any changes which may arise in your insurance needs. It is especially important to inform the Company promptly of changes in your address, so that your Metropolitan agent may keep in touch with you and give you the benefit of his services.

For, as a Metropolitan policyholder, you are entitled at all times to the advice and help of your agent, without obligation.

This is Number 33 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

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